Infratil Limited
ASX Full Year Information - 31 March 2015

Lodged with the ASX under Listing Rule 4.3A

Contents

Rule 4.3A

Infratil Limited
Appendix 4E
Full Year Report

1. Reporting Periods

Current reporting period	12 Months ended 31 March 2015
Previous corresponding period	12 Months ended 31 March 2014

2. Results for Announcement to the Market
(This report is based on the audited accounts)

	12 months ended 31 March 2015 $NZ Millions	12 months ended 31 March 2014 $NZ Millions	Movement %
2.1 Revenue from ordinary activities	1,657.4	1,515.8	9.3%
2.2 Profit from ordinary activities after tax attributable to members	9.2	80.5	(88.6%)
2.3 Net profit attributable to members	383.5	198.9	92.8%

Profit from ordinary activities excludes gains or losses arising from investment acquisitions, disposals and impairments

2.4 Dividends	**Amount per security**	**Franked amount per security**	**Amount per security of foreign source dividend**
Final Dividend	8.0cps	N/A	N/A
Special Dividend	6.4cps	N/A	N/A

2.5 Record date for determining entitlements to the final dividend 5 June 2015

For Australian residents with a shareholding of less than 10%, a supplementary dividend will be available to offset NZ NRWT.

2.6 Explanation of Figures
Refer to the attached Media Release and Results Presentation for the period ended 31 March 2015 for management commentary on the result.

3.0 - 6.0 - Financial Statements
The statements of comprehensive income, financial position, cashflows, changes in equity and notes to the financial statements are included in the attached financial statements.

7.0 Dividends

	Amount per security	Imputation credit per security	Supplementary Dividend per security	Total Dividend NZ$million	Date paid/payable	Amount per security of foreign sourced dividend
2015 Interim dividend	4.50cps	1.75cps	0.79cps	25.3	15-Dec-14	N/A
2015 Interim special dividend	15.00cps	5.83cps	2.65cps	84.2	15-Dec-14	N/A
2015 Final dividend	8.00cps	3.11cps	1.41cps	45.0	15-Jun-15	N/A
2015 Final special dividend	6.40cps	2.49cps	1.13cps	36.0	15-Jun-15	N/A
Total dividends	**33.90cps**	**13.18cps**	**5.98cps**	**190.5**		

8.0 Dividend Reinvestment Plan

The Dividend Reinvestment Plan will not operate for this dividend.

9.0 Net tangible assets per ordinary share

	31 March 2015 $NZ	31 March 2014 $NZ
Net tangible assets per ordinary share	2.20	1.37

"Net tangible assets" are defined by the ASX as being total assets less intangible assets less total liabilities ranking ahead of, or equally with, claims of ordinary shares.

10.0 Control of entities gained or lost during the period

4.1 Name:	PayGlobal Limited	Infratil Energy Australia Pty Limited	Lumo Energy Pty Limited	TFI Partners Pty Limited
4.2 Date control was lost	31 August 2014	30 September 2014	30 September 2014	30 September 2014
4.3 Contribution to profit from ordinary activities - 31 March 2015 - $m	0.7	0.9	29.8	(4.9)
4.3 Contribution to profit from ordinary activities - 31 March 2014 - $m	0.5	2.0	18.7	(3.1)

11.0 Equity accounted associates and joint venture entities

11.1 Name	**11.2 Percentage of ownership interest held at end of period**		**11.3 Contributions to net profit NZ$ million**	
	31 Mar 15	**31 Mar 14**	**31 Mar 15**	**31 Mar 14**
Z Energy Limited	20.0%	20.0%	1.4	32.7
Mana Coach Holdings Limited	26.0%	26.0%	-	-
Metlifecare Limited	20.0%	19.9%	16.3	38.1
RA Holdings Pty Limited	50.0%	0.0%	(6.2)	-

12.0 Other significant information

The Infratil Energy Australia Group was sold in September 2014, PayGlobal Limited was sold in August 2014 and Glasgow Prestwick and Manston Airports were sold in November 2013. The results for these companies have been reported as discontinued operations in accordance with NZ IFRS 5.

On 31 December 2014, Infratil acquired 50% of the RetireAustralia Group which is accounted for as an associate in accordance with NZ IAS 28.

13.0 Accounting Standards

This report has been prepared in accordance with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS). In complying with NZ IFRS, Infratil is in compliance with International Financial Reporting Standards (IFRS).

14.0 Results Commentary

Commentary on the results for the period can be found in the attached media release and results presentation.

15.0 Basis of Report

This report is based on the audited financial statements and the auditors have issued an unqualified audit opinion.

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

I declare that, to the best of my knowledge and belief, in relation to the audit for the year ended 31 March 2015 there have been:

i. No contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

ii. No contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

R J Buckley

Ross Buckley
Partner
Wellington, New Zealand
18 May 2015

APPENDIX 7 – NZSX Listing Rules

EMAIL: announce@nzx.com

Notice of event affecting securities

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

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

Full name of Issuer	Infratil Limited
Name of officer authorised to make this notice	KM Baker
Authority for event, e.g. Directors' resolution	Directors Resolution
Contact phone number	64 4 4733663
Contact fax number	64 4 4732388
Date	19 / 05 / 2015

Nature of event
Tick as appropriate

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

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

Description of the class of securities	Ordinary shares
ISIN	NZIFTE 0003S3 / ASX IFZ

If unknown, contact NZX

Details of securities issued pursuant to this event
If more than one class of security is to be issued, use a separate form for each class.

Description of the class of securities
ISIN
If unknown, contact NZX

Number of Securities to be issued following event
Minimum Entitlement
Ratio, e.g 1 for 2 for

Conversion, Maturity, Call Payable or Exercise Date
Enter N/A if not applicable
Treatment of Fractions
Tick if pari passu ☐ OR *provide an explanation of the ranking*
Strike price per security for any issue in lieu or date Strike Price available.

Monies Associated with Event
Dividend payable, Call payable, Exercise price, Conversion price, Redemption price, Application money.

In dollars and cents

Amount per security (does not include any excluded income)	NZ $0.08
Source of Payment	Retained earnings
Excluded income per security (only applicable to listed PIEs)	
Currency	NZ Dollars
Total monies	$44,950,019

Supplementary dividend details - NZSX Listing Rule 7.12.7

Amount per security in dollars and cents	NZ$0.014118
Date Payable	Monday, 15 June 2015

Taxation
Amount per Security in Dollars and cents to six decimal places

In the case of a taxable bonus issue state strike price	$
Resident Withholding Tax	NZ$0.005556
Imputation Credits (Give details)	NZ$0.031111
Foreign Withholding Tax	$
FDP Credits (Give details)	

Timing (Refer Appendix 8 in the NZSX Listing Rules)

Record Date 5pm *For calculation of entitlements -*	Friday, 5 June 2015
Application Date *Also, Call Payable, Dividend / Interest Payable, Exercise Date, Conversion Date. In the case of applications this must be the last business day of the week.*	Monday, 15 June 2015
Notice Date *Entitlement letters, call notices, conversion notices mailed*	
Allotment Date *For the issue of new securities. Must be within 5 business days of application closing date.*	

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

Security Code:

Security Code:

APPENDIX 7 – NZSX Listing Rules

EMAIL: announce@nzx.com

Notice of event affecting securities

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

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

Full name of Issuer: Infratil Limited

Name of officer authorised to make this notice: KM Baker

Authority for event, e.g. Directors' resolution: Directors Resolution

Contact phone number: 64 4 4733663

Contact fax number: 64 4 4732388

Date: 19 / 05 / 2015

Nature of event
Tick as appropriate

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

EXISTING securities affected by this

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

Description of the class of securities: Ordinary shares

ISIN: NZIFTE 0003S3 / ASX IFZ
If unknown, contact NZX

Details of securities issued pursuant to this event

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

Description of the class of securities:

ISIN:
If unknown, contact NZX

Number of Securities to be issued following event:

Minimum Entitlement:

Ratio, e.g ① for ②: ___ *for* ___

Conversion, Maturity, Call Payable or Exercise Date:
Enter N/A if not applicable

Treatment of Fractions:

Tick if pari passu ☐ *OR provide an explanation of the ranking*:

Strike price per security for any issue in lieu or date Strike Price available.:

Monies Associated with Event

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

In dollars and cents

Amount per security (does not include any excluded income): NZ $0.064

Source of Payment: Retained earnings

Excluded income per security (only applicable to listed PIEs):

Currency: NZ Dollars

Supplementary dividend details - NZSX Listing Rule 7.12.7

Amount per security in dollars and cents: NZ$0.011294

Total monies: $35,960,015

Date Payable: Monday, 15 June 2015

Taxation

Amount per Security in Dollars and cents to six decimal places

In the case of a taxable bonus issue state strike price: $

Resident Withholding Tax: NZ$0.004444

Imputation Credits (Give details): $0.024889

Foreign Withholding Tax: $

FDP Credits (Give details):

Timing (Refer Appendix 8 in the NZSX Listing Rules)

Record Date 5pm
For calculation of entitlements -: Friday, 5 June 2015

Application Date
Also, Call Payable, Dividend / Interest Payable, Exercise Date, Conversion Date. In the case of applications this must be the last business day of the week.: Monday, 15 June 2015

Notice Date
Entitlement letters, call notices, conversion notices mailed:

Allotment Date
For the issue of new securities. Must be within 5 business days of application closing date.:

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

Security Code:

Security Code:

INFRATIL LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2015

	Notes	2015 $Millions	2014 $Millions
Operating revenue		1,657.2	1,514.9
Dividends		0.2	0.9
Total revenue		**1,657.4**	**1,515.8**
Share of earnings of associate companies	12	11.5	70.8
Total income		**1,668.9**	**1,586.6**
Depreciation	9	133.8	110.6
Amortisation of intangibles	10	15.9	15.6
Employee benefits		183.0	167.9
Other operating expenses	6	1,032.5	948.2
Total operating expenditure		**1,365.2**	**1,242.3**
Operating surplus before financing, derivatives, realisations and impairments		303.7	344.3
Net (loss)/gain on foreign exchange and derivatives		(36.3)	70.7
Net gain on Z Energy Limited IPO	12	-	182.5
Net realisations, revaluations and (impairments)		29.5	6.6
Interest income		12.0	5.0
Interest expense		190.2	185.1
Net financing expense		178.2	180.1
Net surplus before taxation		**118.7**	**424.0**
Taxation expense	7	19.6	58.8
Net surplus for the year from continuing operations	3	**99.1**	**365.2**
Net surplus/(loss) from discontinued operations after tax	4	367.2	(90.6)
Net surplus for the year		**466.3**	**274.6**
Net surplus attributable to owners of the Company		383.5	198.9
Net surplus attributable to non-controlling interest		82.8	75.7
Other comprehensive income, after tax			
Items that will not be reclassified to profit and loss			
Net change in fair value of property, plant & equipment recognised in equity		404.7	(22.9)
Share of associates other comprehensive income		(0.8)	7.2
Fair value movements in relation to the executive share scheme		0.2	0.1
Income tax effect of the above items		(109.6)	4.1
Items that may subsequently be reclassified to profit and loss			
Differences arising on translation of foreign operations		(13.0)	(49.7)
Realisations on disposal of subsidiary, reclassified to profit and loss		6.8	80.1
Net change in fair value of available for sale financial assets		(1.9)	-
Ineffective portion of hedges taken to profit and loss		(2.4)	-
Effective portion of changes in fair value of cash flow hedges		3.6	30.2
Income tax effect of the above items		(11.9)	(32.8)
Total other comprehensive income after tax		**275.7**	**16.3**
Total comprehensive income for the year		**742.0**	**290.9**
Total comprehensive income for the year attributable to owners of the Company		522.9	223.9
Total comprehensive income for the year attributable to non-controlling interest		219.1	67.0
Earnings per share			
Basic (cents per share)	21	68.3	34.4
Diluted (cents per share)	21	68.3	34.4

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2015

	Notes	2015 $Millions	2014 $Millions
Cash and cash equivalents	8, 18	363.4	144.2
Trade and other accounts receivable and prepayments	18	206.7	356.5
Derivative financial instruments	18	3.9	6.1
Inventories		5.1	9.9
Income tax receivable		5.7	10.1
Investment properties		-	15.6
Current assets		**584.8**	**542.4**
Trade and other accounts receivable and prepayments		7.2	9.7
Property, plant and equipment	9	4,493.8	4,175.6
Investment properties		64.0	60.0
Derivative financial instruments	18	10.6	16.0
Intangible assets	10	75.3	100.3
Goodwill	11	179.7	251.7
Investments in associates	12	500.3	292.2
Other investments	13	32.0	1.9
Non current assets		**5,362.9**	**4,907.4**
Total assets		**5,947.7**	**5,449.8**
Accounts payable		101.9	196.1
Accruals and other liabilities		84.3	108.4
Interest bearing loans and borrowings	14	47.7	217.6
Derivative financial instruments	18	5.3	15.5
Income tax payable		4.8	11.0
Infratil Infrastructure bonds	15	152.8	-
Trustpower bonds	16	100.0	75.0
Total current liabilities		**496.8**	**623.6**
Interest bearing loans and borrowings	14	816.0	684.5
Other liabilities		12.3	19.2
Deferred tax liability	7	520.3	413.7
Derivative financial instruments	18	62.2	42.6
Infratil Infrastructure bonds	15	596.2	747.3
Perpetual Infratil Infrastructure bonds	15	232.9	232.6
Trustpower bonds	16	381.8	376.7
Wellington International Airport bonds	17	273.9	273.7
Non-current liabilities		**2,895.6**	**2,790.3**
Attributable to owners of the Company		1,493.9	1,119.3
Non-controlling interest in subsidiaries		1,061.4	916.6
Total equity	19	**2,555.3**	**2,035.9**
Total equity and liabilities		**5,947.7**	**5,449.8**
Net tangible assets per share ($ per share)		2.20	1.37

Approved on behalf of the Board on 18 May 2015

A R Fery

Director

Director

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2015

	Notes	2015 $Millions	2014 $Millions
Cash flows from operating activities			
Cash was provided from:			
Receipts from customers		2,036.3	2,395.7
Distributions received from associates	12	19.2	107.4
Other dividends		-	0.8
Interest received		12.2	5.7
		2,067.7	2,509.6
Cash was disbursed to:			
Payments to suppliers and employees		(1,595.5)	(1,886.5)
Interest paid		(179.6)	(173.2)
Taxation paid		(57.0)	(42.7)
		(1,832.1)	(2,102.4)
Net cash inflow from operating activities	24	235.6	407.2
Cash flows from investing activities			
Cash was provided from:			
Proceeds from repayment of associate financing		-	179.8
Proceeds from sale of subsidiaries (net of cash sold)		654.9	-
Proceeds from sale of property, plant and equipment		20.0	26.1
Cash arising on obtaining control of subsidiaries		-	160.2
Return of security deposits		8.2	9.3
		683.1	375.4
Cash was disbursed to:			
Purchase of investments		(252.8)	(147.9)
Lodgement of security deposits		(8.0)	(11.0)
Purchase of intangible assets		(23.9)	(31.5)
Interest capitalised on construction of fixed assets		(2.6)	(15.5)
Capitalisation of customer acquisition costs		(3.7)	(19.9)
Purchase of property, plant and equipment		(186.6)	(407.4)
		(477.6)	(633.2)
Net cash inflow / (outflow) from investing activities		205.5	(257.8)
Cash flows from financing activities			
Cash was provided from:			
Proceeds from issue of shares		0.5	9.7
Bank borrowings		265.9	867.3
Issue of bonds		105.0	287.2
		371.4	1,164.2
Cash was disbursed to:			
Repayment of bank debt		(271.3)	(844.5)
Loan establishment costs		(4.9)	(9.9)
Repayment of bonds/Perpetual Infratil Infrastructure bonds buyback		(75.0)	(240.0)
Infrastructure bond issue expenses		(1.4)	(4.1)
Share buyback		-	(61.7)
Share buyback of non-wholly owned subsidiary		(0.4)	(7.1)
Dividends paid to non-controlling shareholders in subsidiary companies		(73.9)	(72.5)
Dividends paid to owners of the Company	20	(148.8)	(57.0)
		(575.7)	(1,296.8)
Net cash inflow / (outflow) from financing activities		(204.3)	(132.6)
Net increase in cash and cash equivalents		236.8	16.8
Foreign exchange gains / (losses) on cash and cash equivalents		(17.6)	(15.7)
Cash and cash equivalents at beginning of the year		144.2	144.3
Adjustment for cash reclassified to disposal group assets held for sale		-	(1.2)
Cash and cash equivalents at end of the year		363.4	144.2

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2015
Attributable to equity holders of the Company

	Capital	Revaluation reserve	Foreign currency translation reserve	Hedge/other reserve	Retained earnings	Total	Non-controlling	Total equity
	$Millions	$Millions	$Millions	$Millions	$Millions	$Millions	$Millions	$Millions
Balance as at 1 April 2014	369.3	540.1	(46.0)	9.5	246.4	1,119.3	916.6	2,035.9
Total comprehensive income for the year								
Net surplus for the year	-	-	-	-	383.5	383.5	82.8	466.3
Other comprehensive income, after tax								
Differences arising on translation of foreign operations	-	-	(16.4)	-	-	(16.4)	(7.9)	(24.3)
Realisations on disposal of subsidiary, reclassified to profit and loss	-	(9.2)	28.0	(12.5)	(1.6)	4.7	(0.6)	4.1
Net change in fair value of available for sale financial assets	-	-	-	(1.9)	-	(1.9)	-	(1.9)
Ineffective portion of hedges taken to profit and loss	-	-	-	(2.8)	-	(2.8)	1.9	(0.9)
Effective portion of changes in fair value of cash flow hedges	-	-	-	4.1	-	4.1	0.1	4.2
Fair value movements in relation to the executive share scheme	-	-	-	0.2	-	0.2	-	0.2
Net change in fair value of property, plant & equipment recognised in equity	-	152.3	-	-	-	152.3	142.8	295.1
Share of associates other comprehensive income	-	-	-	-	(0.8)	(0.8)	-	(0.8)
Total other comprehensive income	-	143.1	11.6	(12.9)	(2.4)	139.4	136.3	275.7
Total comprehensive income for the year	-	143.1	11.6	(12.9)	381.1	522.9	219.1	742.0
Contributions by and distributions to non-controlling interest								
Minority interest arising on acquisition of subsidiary	-	-	-	-	-	-	-	-
Repurchase/acquisition of shares held by outside equity interest	-	-	-	-	-	-	(0.4)	(0.4)
Total contributions by and distributions to non-controlling interest	-	-	-	-	-	-	(0.4)	(0.4)
Contributions by and distributions to owners								
Share buyback	-	-	-	-	-	-	-	-
Treasury Stock reissued under dividend reinvestment plan	-	-	-	-	-	-	-	-
Conversion of executive redeemable shares	0.5	-	-	-	-	0.5	-	0.5
Dividends to equity holders	-	-	-	-	(148.8)	(148.8)	(73.9)	(222.7)
Total contributions by and distributions to owners	0.5	-	-	-	(148.8)	(148.3)	(73.9)	(222.2)
Balance at 31 March 2015	369.8	683.2	(34.4)	(3.4)	478.7	1,493.9	1,061.4	2,555.3

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2015
Attributable to equity holders of the Company

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

The accompanying notes form part of these financial statements

(1) Accounting policies

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. The 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 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 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 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 are contained on pages 10 to 43 of this report. The financial statements are prepared on the basis of historical cost, except certain property, plant and equipment which is valued in accordance with accounting policy (C), investment property valued in accordance with accounting policy (D), investments valued in accordance with accounting policy (F), and financial derivatives valued in accordance with accounting policy (J).

In accordance with the Financial Market Conducts Act 2013, where a reporting entity prepares consolidated financial statements, parent company disclosures are not required to be included. As such the consolidated financial statements now disclose only the consolidated results of the Group.

(A) Basis of preparation

Accounting estimates and judgements

The preparation of 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 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 financial statements are set out below:

Valuation of property, plant and equipment and investment properties

The basis of valuation for the Group's property, plant and equipment and investment properties 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.

In 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

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.

Accounting for income taxes

Preparation of the financial statements requires estimates of the amount of tax that will ultimately be payable, the availability of losses to be carried forward and the amount of foreign tax credits that will be received.

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. The major inputs and assumptions requiring judgement that are used in the models requiring judgement, include forecasts of sales volumes and revenues, future prices and costs, terminal values and discount rates.

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.

Revenue
Judgement is required to be exercised when determining estimated sales for unbilled revenues at balance date. Specifically, this involves estimates of consumption or sales to customers, turnover for turnover based rents and customer/passenger volumes.

Provision for doubtful debts
Provisions are maintained for estimated losses incurred from customers being unable to make required payments. 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 taken into account.

(B) 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 19. Consistent accounting policies are employed in the preparation and presentation of the Group financial statements.

(C) 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 valuation 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	5-80	Vehicles, plant and equipment	3-20
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		

(D) Investment property
Investment property is property held to earn rental income. Investment property is 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 property.

(E) Receivables
Receivables, classified as loans and receivables, are initially recognised at fair value and subsequently measured at amortised cost, less any provision for impairment. A provision for impairment is established when there is objective evidence that the Group will not be able to collect the amount due.

(F) Investments
Share investments held by the Group and classified as available-for-sale are stated at fair value, with any resulting gain or loss recognised directly in equity, except for impairment losses. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in profit or loss. The fair value of shares are quoted bid price where there is a quoted market bid price, or cost if fair value cannot be reliably measured. Investments classified as available-for-sale are recognised/derecognised by the Group on the trade date. Equity instruments are deemed to be impaired when there is a significant or prolonged decline in fair value below the original purchase price or there is other objective evidence that the investment is impaired. Investments classified as financial assets at fair value through profit or loss, are stated at fair value, with any resulting gain or loss recognised in profit or loss.

(G) Other intangible assets
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.

(H) 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.

(I) 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.

(J) 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. 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.

(K) 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.

(L) 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.

(M) Revenue recognition
Revenue comprises the fair value of consideration received or receivable for the sale of goods or services in the ordinary course of the Group's activities.

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.

(N) 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.

(O) 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 (H)), 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.

(P) 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 six main business segments:
Trustpower, Wellington Airport, NZ Bus, Infratil Energy Australia, Infratil Airports Europe and Other. Other comprises investment activity not included in the specific categories.

(Q) Adoption status of relevant new financial reporting standards and interpretations
A number of new standards, amendments to standards and interpretations are effective for annual periods beginning on or after 1 April 2014 and have not been applied in preparing these financial statements. None of these is expected to have a material effect on the financial statements of the Group.

(2) Nature of business

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

(3) Reconciliation of earnings from continuing operations before interest, taxation, depreciation, amortisation, fair value movements, realisations, revaluations and impairments ('EBITDAF')

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

		2015 $Millions	2014 $Millions
Net surplus for the year from continuing operations	Notes	**99.1**	**365.2**
Net financing expense		178.2	180.1
Taxation expense	7	19.6	58.8
Depreciation		133.8	110.6
Amortisation of intangibles		15.9	15.6
Net loss/(gain) on foreign exchange and derivatives		36.3	(70.7)
Fair value gain on acquisition of associate (included within equity accounted earnings of associates)	12	-	(33.1)
Net realisations, revaluations and impairments		(29.5)	(189.1)
EBITDAF		453.4	437.4

(4) Discontinued operations

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

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

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

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

PayGlobal Limited	2015 $Millions	2014 $Millions
Results of PayGlobal *(classified as discontinued)*		
Revenue	8.1	16.3
Operating expenses	6.9	14.6
Results from operating activities	1.2	1.7
Depreciation & amortisation of intangibles	(0.1)	(0.3)
Net realisations, revaluations, (impairments) and net (gain)/loss on foreign exchange and derivatives	-	(0.1)
Net interest expense	0.1	0.1
Profit before tax of PayGlobal	1.2	1.4
Taxation expense	-	(0.5)
Net surplus of PayGlobal after tax	1.2	0.9
The Group's share of the net gain on the sale is calculated as follows:		
Gross sale proceeds	8.5	-
less: Sale costs	-	-
Net sales proceeds	8.5	-
Carrying value of PayGlobal net assets sold	(5.4)	-
Taxation expense on sale	(0.9)	-
Net gain on sale	2.2	-
Net surplus/(loss) from discontinued operation after tax	3.4	0.9
Basic earnings per share (cents per share)	0.6	0.2
Diluted earnings per share (cents per share)	0.6	0.2
($0.6 million) of the net surplus from the discontinued operation was attributable to the non-controlling interest of PayGlobal.		
Cash flows from (used in) discontinued operation		
Net cash used in operating activities	-	(0.1)
Net cash used in investing activities	(0.2)	(0.3)
Net cash used in financing activities	(1.4)	-
Net cash flows for the year	(1.6)	(0.4)

There is no cumulative income recognised in other comprehensive income relating to PayGlobal at 31 March 2015 (2014: $0.2 million)

Infratil Energy Australia (including Lumo Energy and Direct Connect Australia)	2015 $Millions	2014 $Millions
Results of Infratil Energy Australia *(classified as discontinued)*		
Revenue	444.6	814.2
Operating expenses	403.8	753.0
Results from operating activities	40.8	61.2
Depreciation & amortisation of intangibles	(9.4)	(25.3)
Net realisations, revaluations, (impairments) and net gain/(loss) on foreign exchange and derivatives	4.9	(21.6)
Net interest expense	(0.3)	(1.0)
Profit before tax of Infratil Energy Australia	36.0	13.3
Taxation expense	(9.9)	(3.9)
Net surplus of Infratil Energy Australia after tax	26.1	9.4
The net gain on the sale is calculated as follows:		
Gross sale proceeds	725.8	-
less: Sale costs	(9.9)	-
less: Incentive fee paid to MCIM	(44.5)	-
Net sales proceeds	671.4	-
Carrying value of Infratil Energy Australia net assets sold	(325.9)	-
Realised foreign exchange losses reclassified to profit and loss on disposal and derivative gains and losses	(7.8)	-
Net gain on sale	337.7	-
Net surplus from discontinued operation after tax	363.8	9.4
Basic earnings per share (cents per share)	64.8	1.6
Diluted earnings per share (cents per share)	64.8	1.6
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	13.7	82.2
Net cash used in investing activities	(14.9)	(21.9)
Net cash used in financing activities	(4.4)	(19.3)
Net cash flows for the year	(5.6)	41.0

There is no cumulative income recognised in other comprehensive income relating to the Infratil Energy Australia at 31 March 2015 (2014: $0.8 million).

Infratil Airports Europe

The Infratil Airports Europe segment comprising Glasgow Prestwick and Manston Airports is presented as a discontinued operation of the Group as the sales of these businesses were completed on 25 November 2013 and 29 November 2013 respectively.

Results of Infratil Airports Europe *(classified as discontinued)*	2014 $Millions
Revenue	27.3
Operating expenses	(36.6)
Results from operating activities	(9.3)
Depreciation & amortisation of intangibles	(2.5)
Net realisations, revaluations, (impairments) and net (gain)/loss on foreign exchange and derivatives	(20.2)
Net interest expense	(0.1)
Loss before tax of Infratil Airports Europe	(32.1)
Taxation (expense)/credit	11.3
Net surplus loss of Infratil Airports Europe	(20.8)
Realised foreign exchange losses reclassified to profit and loss on disposal	(80.1)
Net surplus loss from discontinued operation after tax	(100.9)
Basic earnings per share (cents per share)	(17.4)
Diluted earnings per share (cents per share)	(17.4)
The loss from discontinued operation is attributable entirely to the owners of the Company.	
Cash flows from (used in) discontinued operation	
Net cash used in operating activities	(13.9)
Net cash used in investing activities	(2.5)
Net cash used in financing activities	-
Net cash flows for the year	(16.4)

There is no cumulative income recognised in other comprehensive income relating to the Infratil Airports Europe at 31 March 2015 (2014: nil)

(5) Business combinations

Effective on 18 July 2014 Trustpower purchased the majority of the assets and liabilities of Green State Power Pty Ltd, an Australian electricity generator. As a result of this acquisition the Group now owns hydro and wind generation assets in New South Wales.

The following table sets out the consideration paid and the fair value of assets acquired and liabilities assumed at the acquisition date:	2015 $Millions
Cash consideration paid	81.3
Recognised amounts of identifiable assets and liabilities acquired:	
Trade and other accounts receivable and prepayments	0.5
Generation assets	124.7
Other property, plant and equipment	0.3
Accounts payable and accruals	(0.5)
Deferred tax liability	(18.7)
Total identifiable net assets	106.3
Revaluation gain on acquisition	25.0
Total acquisition cost	81.3

Acquisition costs of $486,000 have been charged to other energy business costs in the income statement for the year ended 31 March 2015. The acquisition was made in Australian dollars and was funded by new Australian dollar debt facilities.

The fair value of the generation assets acquired has been determined by the Trustpower Board following an independent valuation. The basis of the valuation is a discounted cash flow analysis of the future earnings of the assets. The major inputs that are used in the valuation model that require management judgement include the forward price path of electricity, sales volume forecasts, projected operational and capital expenditure profiles, discount rates and life assumptions for each generation station. The following table outlines the key assumptions used by Deloitte Corporate Finance in preparing this valuation. In all cases there is an element of judgement required. The table shows the range of reasonably possible alternative assumption values considered. The valuation is based on a combination of values that are generally in the midpoint of the range.

Assumption	**Low**	**High**	**Valuation impact (AUD)**
Forward electricity price path (including renewable energy credits)	(Stated in AUD) Increasing in real terms from $81/MWh to $117/MWh by 2035 then dropping to $72/MWh. Thereafter held constant.	(Stated in AUD) Increasing in real terms from $99/MWh to $143/MWh by 2035 then dropping to $88/MWh. Thereafter held constant.	-/+ $19.0m
Generation volume	243GWh	297GWh	-/+ $18.0m
Weighted average cost of capital	7.47%	8.47%	+ $11.0m / - $9.0m

The difference between the acquisition price and the fair value may be due to the following characteristics of the Group which means that it is more suited to owning these assets than other potential buyers:
- Able to fund the purchase from its balance sheet.
- Current Australian generator familiar with market dynamics.
- A long history of owning and optimising small run-of-river hydro stations.
- Experience in managing a remote workforce.

The revenue included in the consolidated income statement since 18 July 2014 contributed by the acquired business was $14.2 million and the net surplus before tax was $7.2 million. Had the business been consolidated from 1 April 2014, the consolidated income statement would show pro-forma revenue of $17.8 million and net surplus before tax of $14.4 million.

(6) Other operating expenses		2015 $Millions	2014 $Millions
Fees paid to the Group auditor		0.6	0.6
Audit fees paid to other auditors		0.5	0.4
Bad debts written off		1.3	1.8
Increase in provision for doubtful debts	18	0.4	-
Directors' fees	28	2.1	2.0
Administration and other corporate costs		7.8	10.8
Management fee (to related party Morrison & Co Infrastructure Management)	29	19.3	17.2
Trading operations			
Energy and wholesale costs		371.8	375.3
Line, distribution and network costs		358.8	307.1
Other energy business costs		154.8	123.9
Transportation business costs		76.5	75.0
Airport business costs		16.4	15.7
Other operating business costs		22.2	18.4
Total other operating expenses		**1,032.5**	**948.2**

Fees paid to the Group auditor	2015 $000's	2014 $000's
Audit and review of financial statements	437.6	418.8
Regulatory audit work	42.0	25.0
Other assurance services	35.9	27.1
Taxation services	71.6	43.7
Other services	15.0	41.7
Total fees paid to the Group auditor	602.1	556.3

The audit fee includes the fees for both the annual audit of the financial statements and the review of the interim financial statements. Regulatory audit work consists of the audit of regulatory disclosures. Other assurance services comprise of agreed upon procedures, audit of compliance reports and verification in relation to gas trading licence. Tax services relate to tax compliance work. Other services related to tax advisory services provided to a subsidiary of the group and investment due diligence work. $182.5k was paid to the Group auditor for agreed upon procedures in relation to the Completion Accounts of the IEA Group and for taxation services that was included within discontinued operations (2014: $317.9k for audit and taxation services).

Donations of $0.8 million (2014: $0.7 million) were made during the year by the Group.

(7) Taxation

	2015 $Millions	2014 $Millions
Net surplus before taxation	118.7	424.0
Taxation on the surplus for the year @ 28%	33.2	118.7
Plus/(less) taxation adjustments:		
Effect of tax rates in foreign jurisdictions	0.6	0.1
Net benefit of imputation credits	(4.9)	(29.4)
Tax losses not recognised/(utilised)	0.2	(3.4)
Effect of equity accounted earnings of associates	6.3	20.8
(Over)/Under provision in prior periods	6.1	1.2
Net investment realisations	(0.4)	(51.3)
Other permanent differences	(21.5)	2.1
Taxation expense	19.6	58.8
Current taxation	43.4	29.8
Deferred taxation	(23.8)	29.0
Tax on discontinued operations	10.7	6.9

Income tax recognised in other comprehensive income		**2015**	
	Before tax $Millions	Tax (expense) /benefit $Millions	Net of tax $Millions
Differences arising on translation of foreign operations	(13.0)	(11.3)	(24.3)
Realisations on disposal of subsidiary, reclassified to profit and loss	6.8	(2.7)	4.1
Net change in fair value of available for sale financial assets	(1.9)	-	(1.9)
Ineffective portion of hedges taken to profit and loss	(2.4)	1.5	(0.9)
Effective portion of changes in fair value of cash flow hedges	3.6	0.6	4.2
Fair value movements in relation to executive share scheme	0.2	-	0.2
Net change in fair value of property, plant & equipment recognised in equity	404.7	(109.6)	295.1
Share of associates other comprehensive income	(0.8)	-	(0.8)
Balance at the end of the year	397.2	(121.5)	275.7

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

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.

	2015 $Millions	2014 $Millions
Balance at the beginning of the year	(413.7)	(385.7)
Charge for the year	23.8	(29.0)
Charge relating to discontinued operations	(7.4)	22.7
Deferred tax recognised in equity	(121.1)	(17.4)
Arising on Business Combination	(18.7)	(4.2)
Effect of movements in foreign exchange rates	0.8	(1.0)
Tax losses recognised	7.7	0.9
Disposed as part of investment sale	8.3	-
Balance at the end of the year	(520.3)	(413.7)

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.

Recognised deferred tax assets and liabilities	Assets $Millions	Liabilities $Millions	Net $Millions
2015			
Property, plant and equipment	-	(527.3)	(527.3)
Investment property	-	(9.0)	(9.0)
Derivative financial instruments	16.3	(0.1)	16.2
Employee benefits	4.7	-	4.7
Customer base assets	-	(6.8)	(6.8)
Provisions	2.5	-	2.5
Tax losses carried forward	30.5	-	30.5
Other items	-	(31.1)	(31.1)
Total	54.0	(574.3)	(520.3)
2014			
Property, plant and equipment	1.3	(431.9)	(430.6)
Investment property	-	(8.1)	(8.1)
Derivative financial instruments	10.5	(0.2)	10.3
Employee benefits	4.2	-	4.2
Customer base assets	-	(9.8)	(9.8)
Provisions	7.3	-	7.3
Tax losses carried forward	16.4	-	16.4
Other items	12.3	(15.7)	(3.4)
Total	52.0	(465.7)	(413.7)

Changes in temporary differences affecting tax expense	**Tax expense**		**Other comprehensive income**	
	2015 $Millions	2014 $Millions	2015 $Millions	2014 $Millions
Property, plant and equipment	16.3	(3.9)	(105.7)	4.1
Investment property	(1.0)	(0.5)	-	-
Derivative financial instruments	7.2	(13.4)	(1.4)	(8.2)
Employee benefits	0.5	0.3	-	-
Customer base assets	1.2	1.1	-	-
Provisions	0.7	(0.9)	-	-
Tax losses carried forward	3.3	(0.4)	-	-
Other items	(4.4)	(11.3)	(14.1)	(13.3)
	23.8	(29.0)	(121.2)	(17.4)

Imputation credits available to be used by Infratil Limited	2015 $Millions	2014 $Millions
Balance at the end of the year	42.2	72.1
Imputation credits that will arise on the payment/(refund) of tax provided for	-	(1.4)
Imputation credits that will arise on the (payment)/receipt of dividends accrued at year end	-	-
Imputation credits available for use	42.2	70.7

(8) Cash and cash equivalents

	2015 $Millions	2014 $Millions
Call deposits and cash on hand	361.3	126.3
Cash deposits held as security for retail energy market contracts & bank financing agreements	2.1	17.9
Total	363.4	144.2

At 31 March 2015 $2.1 million (2014 : $17.9 million) of cash deposits are "restricted" and not immediately available for use by the Group.

(9) Property, plant and equipment	Land and civil works	Buildings	Vehicles, plant and equipment	Capital work in progress	Metering	Generation Plant (renewable)	Generation Plant (non renewable)	Total
2015	$Millions	$Millions	$Millions	$Millions	$Millions	$Millions	$Millions	$Millions
Cost or valuation								
Balance at beginning of year	495.0	338.1	492.2	497.2	80.4	2,431.5	249.0	4,583.4
Additions	-	2.6	15.6	204.0	0.5	-	0.2	222.9
Disposals	(10.1)	(0.2)	(18.6)	-	(12.6)	-	(123.3)	(164.8)
Impairment	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	236.2	3.2	239.4
Transfers between categories	5.9	2.1	4.7	(656.0)	-	643.3	-	-
Transfer to assets held for sale	-	0.2	-	-	-	-	-	0.2
Transfers to intangible assets	-	-	-	-	-	-	-	-
Transfers from/(to) investment properties	-	0.1	-	(0.5)	-	-	-	(0.4)
Effect of movements in foreign exchange rates	0.1	-	(0.9)	-	-	(39.9)	(4.2)	(44.9)
Balance at end of year	490.9	342.9	493.0	44.7	68.3	3,271.1	124.9	4,835.8
Accumulated depreciation								
Balance at beginning of year	17.1	26.9	211.7	-	53.4	98.7	-	407.8
Depreciation for the year	5.2	8.3	34.1	-	9.3	71.8	7.9	136.6
Transfer to investment properties	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	(164.4)	(5.8)	(170.2)
Disposals	-	(0.1)	(14.4)	-	(12.6)	-	(2.1)	(29.2)
Transfer to assets held for sale	-	-	-	-	-	-	-	-
Effect of movements in foreign exchange rates	-	-	(0.1)	-	-	(2.9)	-	(3.0)
Balance at end of year	22.3	35.1	231.3	-	50.1	3.2	0.0	342.0
Carrying value at 31 March 2015	468.6	307.8	261.7	44.7	18.2	3,267.9	124.9	4,493.8
2014								
Cost or valuation								
Balance at beginning of year	489.6	328.7	447.4	234.1	79.7	2,480.3	307.4	4,367.2
Additions	3.3	4.6	81.2	320.9	0.7	-	0.4	411.1
Disposals	-	(0.3)	(40.0)	-	-	(0.3)	-	(40.6)
Impairment	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	(3.7)	(15.3)	(19.0)
Transfers between categories	4.1	6.4	6.2	(16.7)	-	-	-	-
Transfer to assets held for sale	-	(0.9)	-	-	-	-	-	(0.9)
Transfers to intangible assets	-	-	-	(1.1)	-	-	-	(1.1)
Transfers from/(to) investment properties	(0.2)	(0.4)	(0.1)	(4.3)	-	-	-	(5.0)
Effect of movements in foreign exchange rates	(1.8)	-	(2.5)	(35.7)	-	(44.8)	(43.5)	(128.3)
Balance at end of year	495.0	338.1	492.2	497.2	80.4	2,431.5	249.0	4,583.4
Accumulated depreciation								
Balance at beginning of year	12.1	18.8	213.6	-	47.8	49.8	-	342.1
Depreciation for the year	5.0	8.5	35.0	-	5.7	52.2	11.5	117.9
Transfer to investment properties	-	-	0.3	-	(0.1)	-	-	0.2
Revaluation	-	-	0.1	-	-	-	(11.5)	(11.4)
Disposals	-	(0.2)	(36.3)	-	-	(0.2)	-	(36.7)
Transfer to assets held for sale	-	(0.2)	-	-	-	-	-	(0.2)
Effect of movements in foreign exchange rates	-	-	(1.0)	-	-	(3.1)	-	(4.1)
Balance at end of year	17.1	26.9	211.7	-	53.4	98.7	-	407.8
Carrying value at 31 March 2014	477.9	311.2	280.5	497.2	27.0	2,332.8	249.0	4,175.6

Generation property, plant and equipment

Renewable generation plant held by Trustpower was revalued at $3,286.4 million as at 31 March 2015 (2014: $2,813.6 million). Generation assets were independently revalued, using a discounted cash flow methodology, as at 31 March 2015, to their estimated market value as assessed by Deloitte Corporate Finance. Renewable generation assets include land and buildings which are not separately identifiable from the generation assets. See the table below for a description of the key assumptions in determining the fair value.

Non-renewable generation plant held by Perth Energy was revalued at A$122.0 million as at 31 March 2015 (2014: A$127.2m), using a discounted cash flow methodology. To arrive at the plants estimated market values, the directors relied, amongst other factors, on valuation work performed by BDO Corporate Finance (QLD) Ltd. See the table below for a description of the key assumptions in determining the fair value.

Wellington International Airport ('WIAL')

Land was last revalued as at 31 March 2012 by independent registered valuers, Telfer Young Limited, in accordance with the New Zealand Institute of Valuers asset valuation standard (fair value $289.2 million), and the Directors are satisfied that there has not been a material movement in the fair value as at 31 March 2015.

All buildings and civil assets were last revalued as at 31 March 2011 in accordance with the New Zealand Institute of Valuers asset valuation standards. The valuation was undertaken by independent registered valuers, Telfer Young Limited for buildings (fair value $268.7 million), and Opus International Consultants Limited for civil assets (fair value $142.7 million). The Directors are satisfied that there has not been a material movement in the valuation as at 31 March 2015.

At 31 March 2015 WIAL performed a discounted cash flow analysis to confirm that there had been no material movements in the value of the vehicle business assets and that the carrying value still represented the asset's fair value. The discounted cash flow analysis showed there was no material change in the value of the vehicle business assets.

Property, plant and equipment valuations - key assumptions in determining fair value

The following tables summarise the significant valuation techniques and inputs used by valuers to arrive at the fair value for the Group's property, plant and equipment. All of the Group's property, plant and equipment valued at fair value is classified within the fair value hierarchy as level 3 . The fair value hierarchy is further discussed in note 18 and defines level 3 assets or liabilities as being valued with reference to inputs that are not based on observable market data.

Generation renewable	**Low**	**High**	**Valuation Impact vs. midpoint**
New Zealand Assets			
Forward electricity price path	Decreasing in real terms from $83/MWh to $74/MWh by 2018 then increasing to $82/MWh by 2021. Thereafter held constant.	Decreasing in real terms from $83/MWh to $74/MWh by 2018 then increasing to $97/MWh by 2023. Thereafter held constant.	-/+ $147.0m
Generation volume	2,165 GWh	2,645 GWh	-/+ $241.0m
Operating costs	$32.3 million pa	$39.5 million p.a.	+/- $50.0m
Weighted average cost of capital	7.42%	8.29%	+ $189.0m / - $160.0m
Australian Assets			
Generation volume	878 GWh	1,080 GWh	-/+ A$111.0m
Weighted average cost of capital	7.17%	7.96%	+ A$9.0m / - A$8.0m
Generation non-renewable			
Australian Assets			
Weighted average cost of capital	8.00%	9.00%	+/- A$5.5m
Reserve capacity price per MW	A$137,183	A$137,183	
Plant reliability	99.50%	99.50%	

Wellington International Airport

Asset classification and description	Valuation approach	Key valuation assumptions	+/- 5% Valuation Impact
Land			
Aeronautical land - used for airport activities and specialised aeronautical assets Non-aeronautical land - used for non-aeronautical purposes e.g. industrial, service, retail and land associated with the vehicle business	Market value existing use approach - comprising market value alternative use valuation plus development and holding costs to provide land suitable for airport use. The development and holding costs are derived by the valuer using assumptions regarding the discount rate, holding period and direct costs of holding the land for conversion to airport use. The valuer makes use of expert advice from Sapere Research Group in relation to the discount rate used. These inputs are deemed unobservable.	Adopted rate per hectare prior to holding costs: $1.37 million per ha Discount rate: 12.88% Holding period: 5 years	+/- $21.1m (of a 5% change in discount rate)
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 - the cost of constructing a modern equivalent asset at current market based input cost rates, adjusted for the remaining useful life of the assets (depreciation) and any sub-optimal usage of the assets in their current application (optimisation). These inputs are deemed unobservable.	Average cost rates including concrete $740 per m3, asphalt $833 per m3, base course $83 per m3 and foundations $15 per m3	+/- $6.8m (of a 5% change in cost estimate)
Buildings			
Specialised buildings used for identified airport activities	Optimised depreciated replacement cost derived from modern equivalent asset rate	Modern equivalent asset rates ranging from $175 to $5,000 per m2, with a weighted average of $4,050 per m2	+/- $9.3m (of a 5% change in cost estimate)
Buildings other than for identified airport activities, including space allocated within the main terminal building for retail activities, car parking, offices and storage that exist because of the airport activities.	Optimised depreciated replacement cost derived from modern equivalent asset rate, as described for Civil above.	Modern equivalent asset rates ranging from $550 to $1,900 per m2, with a weighted average of $1,364 per m2	
Vehicle business assets			
Assets associated with car parking and taxi, shuttle and bus services (excluding land)	Discounted cash flow valuation performed by management and based on - Internal management information such as forecast future revenues, costs and capital expenditure. This information is derived from WIAL's financial and car park management systems and is subject to WIAL's overall control environment. - Assumptions such as the discount rate. These are based on management's professional judgement and arrived at in consultation with external experts. Both the internal management information and the discount rate are deemed to be unobservable inputs.	Revenue growth 3% per annum Cost growth 3% per annum Discount rate 13%	+/- $2.8m (of a 5% change in discount rate)

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, the effect of the fair value movements on profit or loss and other comprehensive income for the year.

2015 **Level 3 Fair Value movements**	Recognised in profit or loss	Recognised in OCI	Total
	$ Millions	$ Millions	$ Millions
Generation Plant (renewable)	-	289.3	289.3
Generation Plant (non renewable)	-	5.9	5.9
Land and civil works	-	-	-
Buildings	-	-	-
Vehicle business assets	-	-	-
	-	295.2	295.2

2014 **Level 3 Fair Value movements**	Recognised in profit or loss	Recognised in OCI	Total
	$ Millions	$ Millions	$ Millions
Generation Plant (renewable)	-	(3.8)	(3.8)
Generation Plant (non renewable)	(4.1)	0.3	(3.8)
Land and civil works	-	-	-
Buildings	-	-	-
Vehicle business assets	-	-	-
	(4.1)	(3.5)	(7.6)

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

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:

2015	Cost	Assets under construction	Accumulated depreciation	Net book value
	$Millions	$Millions	$Millions	$Millions
Generation Plant (renewable)	2,114.2	14.3	(481.7)	1,646.8
Generation Plant (non renewable)	123.6	-	(25.7)	97.9
Land and civil works	214.2	5.9	(37.2)	182.9
Buildings	237.0	2.1	(64.8)	174.3
Vehicles, plant and equipment	41.3	1.1	(27.2)	15.2
Capital work in progress	30.6	(9.0)	-	21.6
	2,760.9	14.4	(636.6)	2,138.7

2014	Cost	Assets under construction	Accumulated depreciation	Net book value
	$Millions	$Millions	$Millions	$Millions
Generation Plant (renewable)	1,726.2	220.8	(409.9)	1,537.1
Generation Plant (non renewable)	289.9	-	(43.3)	246.6
Land and civil works	209.7	4.1	(34.4)	179.4
Buildings	232.4	4.1	(58.9)	177.6
Vehicles, plant and equipment	39.2	1.6	(23.9)	16.9
Capital work in progress	10.5	-	-	10.5
	2,507.9	230.6	(570.4)	2,168.1

(10) Intangible Assets

2015	Lease agreements/ software	Customer acquisition costs	Total
Cost or valuation	$Millions	$Millions	$Millions
Balance at beginning of the year	128.3	148.4	276.7
FX adjustment on opening balance	(0.9)	(2.7)	(3.6)
Additions at cost	23.5	3.5	27.0
Disposals	(34.0)	(69.1)	(103.1)
Impairment	-	-	-
Transfers from property, plant and equipment	-	-	-
Balance at end of year	116.9	80.1	197.0
Amortisation and impairment losses			
Balance at beginning of the year	(62.4)	(114.0)	(176.4)
FX adjustment on opening balance	0.5	2.9	3.4
Amortisation for the year	(14.4)	(8.2)	(22.6)
Disposals	10.4	63.5	73.9
Impairment	-	-	-
Balance at end of year	(65.9)	(55.8)	(121.7)
Carrying value 31 March 2015	51.0	24.3	75.3

2014	Lease agreements/ software	Customer acquisition costs	Total
Cost or valuation	$Millions	$Millions	$Millions
Balance at beginning of the year	113.7	139.6	253.3
FX adjustment on opening balance	(4.0)	(10.8)	(14.8)
Additions at cost	31.0	19.6	50.6
Disposals	(13.5)	-	(13.5)
Impairment	-	-	-
Transfers from property, plant and equipment	1.1	-	1.1
Balance at end of year	128.3	148.4	276.7
Amortisation and impairment losses			
Balance at beginning of the year	(58.5)	(108.8)	(167.3)
FX adjustment on opening balance	2.7	9.5	12.2
Amortisation for the year	(19.2)	(14.7)	(33.9)
Disposals	12.6	-	12.6
Impairment	-	-	-
Balance at end of year	(62.4)	(114.0)	(176.4)
Carrying value 31 March 2014	65.9	34.4	100.3

(11) Goodwill

	2015 $Millions	2014 $Millions
Goodwill		
Balance at beginning of the year	253.3	243.6
Goodwill arising on acquisitions	-	9.9
Goodwill disposed of during the year	(72.0)	(0.2)
Balance at the end of the year	181.3	253.3
Impairment losses		
Balance at beginning of the year	(1.6)	(1.6)
Impairment	-	-
Balance at the end of the year	(1.6)	(1.6)
Total goodwill	179.7	251.7
The aggregate carrying amounts of goodwill allocated to each cash generating unit are as follows:		
NZ Bus	55.0	55.0
Trustpower	113.0	113.0
Lumo Energy	-	66.2
Other	11.7	17.5
	179.7	251.7

Goodwill amounts have been reviewed during the year and there are no impairments (2014: nil).

Goodwill arising on acquisition of subsidiaries during the prior year relates to PayGlobal and Energy Direct NZ. Goodwill in respect of PayGlobal arose due to a shareholder restructure, while Goodwill in respect of Energy Direct NZ, an electricity and gas retailer, arose after the Group purchased the assets and liabilities of that company.

Recoverable amounts are determined based on the following analysis and key assumptions:

NZ Bus

The assessment of the recoverable amount of goodwill is based on value in use calculations. These calculations use cash flow projections taking into account actual operating results, current business plans, budgets and forecasts for the business and include passenger, fare, subsidy, operating costs and capital expenditure assumptions. The projected cash flows are for the period to 2027 and include a terminal value based on 2027 EBITDAF growing 2% in perpetuity and separately costs 5 cycles of capital expenditure to reflect the uneven age profile of NZ Bus' fleet. A pre-tax discount rate of 8.4% (2014: 9.7%) has been used in discounting the projected cash flows and terminal value.

Trustpower

Goodwill relates to the acquisition of a further 15.3% interest in Trustpower in the 2007 financial year. The recoverable amount has been assessed by reference to the fair value of Trustpower based on the market share price quoted on the NZX.

(12) Investments in associates

Investment in associates

Investments in associates are as follows:	2015 $Millions	2014 $Millions
Z Energy Limited	87.1	104.1
Metlifecare Limited	202.2	186.0
RA (Holdings) 2014 Pty Limited	208.6	-
Mana Coach Holdings Limited	2.4	2.1
Investments in associates	500.3	292.2

Equity accounted earnings of associates are as follows:	2015 $Millions	2014 $Millions
Z Energy Limited	1.4	32.7
Metlifecare Limited	16.2	38.1
RA (Holdings) 2014 Pty Limited	(6.1)	-
Share of earnings of associate companies	11.5	70.8

Z Energy Limited

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

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

Movement in the carrying amount of investment in ZEL:	2015 $Millions	2014 $Millions
Carrying value at 1 April	104.1	324.0
Share of associate’s surplus before income tax	1.2	38.4
Share of associate’s income tax (expense)	0.2	(11.0)
Share of associate’s net profit after tax	1.4	27.4
Interest on shareholder loan (including accruals)	-	3.3
Dividend on redeemable preference shares (including accruals)	-	2.0
Total share of associate's earnings in the year	1.4	32.7
Share of associate's other comprehensive income	(0.8)	7.2
Share of net gain on IPO of ZEL	-	182.5
less: repayment of redeemable preference shares	-	(57.5)
less : repayment of shareholder loan	-	(122.3)
less: distributions received	(17.6)	(107.2)
less: assets acquired on the restructure of AEHL	-	(155.3)
Carrying value of investment in associate	87.1	104.1

The Group's share of the net gain on IPO is calculated as follows:	2014 $Millions
Gross sale proceeds	840.0
less: IPO costs	(43.9)
Net sales proceeds	796.1
Z Energy Limited carrying value of net assets sold	(393.6)
Impairment of assets associated with Z Energy IPO:	
Associate investment in NZR previously carried at ZEL valuation	(33.4)
Other assets previously carried at ZEL valuations	(4.1)
Net gain on IPO	365.0
Infratil Group 50% share of gain on IPO	182.5

Summary financial information for Z Energy Limited, not adjusted for the percentage ownership held by the Group:	2015 $Millions	2014 $Millions
Current assets	693.0	885.0
Non-current assets	680.0	655.0
Total Assets	1,373.0	1,540.0
Current liabilities	367.0	449.0
Non-current liabilities	501.0	500.0
Total liabilities	868.0	949.0
Revenues	2,502.0	2,825.0
Net profit after tax	7.0	95.0
Total other comprehensive income	(4.0)	144.0

At 31 March 2015 the Group's investment in ZEL had a fair value of $410.4 million based on the quoted market price of ZEL shares on the NZX at that date (2014: $312.0 million).

Metlifecare Limited

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

Movement in the carrying amount of investment in Metlifecare Limited:	2015 $Millions	2014 $Millions
Carrying value at 1 April	186.0	-
Cost of investment in Metlifecare *(Shares acquired)*	1.6	147.9
Share of associate’s surplus before income tax	16.6	5.0
Fair value gain on acquisition of associate	-	33.1
Share of associate’s income tax (expense)	(0.4)	-
Total share of associate’s earnings in the year	16.2	38.1
Share of associate's other comprehensive income	-	-
less: distributions received	(1.6)	-
Carrying value of investment in associate	202.2	186.0

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

The summary information provided is taken from the most recent NZ IFRS audited annual financial statements of Metlifecare Limited which have a balance date of 30 June and are reported as at that date.	30 June 2014 $Millions	30 June 2013 $Millions
Current assets	13.5	14.4
Non-current assets	1,996.1	1,889.9
Total Assets	2,009.6	1,904.3
Current liabilities	18.2	17.2
Non-current liabilities	1,199.7	1,169.3
Total liabilities	1,217.9	1,186.5
Revenues	94.8	92.2
Net profit after tax	68.8	120.3
Total other comprehensive income	0.2	(0.3)

At 31 March 2015 the Group's investment in MET had a fair value of $199.6 million based on the quoted market price of MET shares on the NZX at that date (2014: $170.6 million).

RA (Holdings) 2014 Pty Limited

On 31 December 2014, the Group acquired a 50% shareholding of the RetireAustralia Group ('RetireAustralia'), with consortium partner the NZ Super Fund acquiring the other 50%. The total equity consideration was A$407.8 million with Infratil and the NZ Super Fund providing total cash equity of A$203.9 million each (NZ$213.0 million). The total cost of the acquisition will include estimated transaction costs of A$14.6 million (primarily landholder duty) and is subject to the usual completion adjustments for working capital and net debt. The Group equity accounts for its investment in RetireAustralia.

RetireAustralia is the largest privately owned operator of retirement villages in Australia. They operate 28 retirement villages across 3 states – New South Wales, Queensland and South Australia.

Movement in the carrying amount of investment in RetireAustralia:	2015 $Millions
Carrying value at 1 April	-
Cost of equity	213.0
Capitalised transaction costs	1.1
Prepayment for shares not yet issued	5.0
Total cost of acquisition	219.1
Share of associate's surplus/(loss) before income tax	(6.1)
Share of associate's income tax (expense)	-
Total share of associate's earnings in the year	(6.1)
Share of associate's other comprehensive income	-
less: distributions received	-
Foreign exchange movements recognised in other comprehensive income	(4.4)
Carrying value of investment in associate	208.6

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

The summary information provided is taken from the most recent IFRS audited annual financial statements of RA (Holdings) 2014 Pty Limited which has a balance date of 31 March 2015. The Company was incorporated on 9 December 2014 and the business commenced trading on 1 January 2015.	2015 A$Millions
Current assets	122.9
Non-current assets	1,808.8
Total Assets	1,931.7
Current liabilities	1,307.3
Non-current liabilities	228.0
Total liabilities	1,535.3
Revenues	14.4
Net profit after tax	(11.4)
Total other comprehensive income	-

(13) Other investments

	2015 $Millions	2014 $Millions
Australian Social Infrastructure Partners	30.1	-
Other	1.9	1.9
Total other investments	**32.0**	**1.9**

Australian Social Infrastructure Partners

On 20 December 2013, Infratil announced that it had entered into a conditional commitment of A$100 million to pursue greenfield availability based public-private partnership ('PPP') opportunities in Australia via Australian Social Infrastructure Partners ('ASIP').

On 4 April 2014, the conditions to the commitment were fulfilled, and Infratil subscribed for 55.6% of the units in ASIP. On subscription, Infratil paid an initial contribution of A$12 million, reflecting Infratil's share of capital called for ASIP's investments and returns to date. The balance of the A$100m commitment is likely to be called over a 2-3 year period as bids for PPP opportunities are progressed, with the Investment period for the fund ending on 30 June 2018.

As at 31 March 2015 Infratil has made total contributions of A$27.9m, with the remaining A$72.1m commitment uncalled at that date.

(14) Interest bearing loans and borrowings

This note provides information about the contractual terms of the Group's interest bearing loans and borrowings. For more information about the Group's exposure to interest rate and foreign currency risk, see note 18.

	2015 $Millions	2014 $Millions
Current liabilities		
Unsecured loans	44.4	210.2
Secured bank facilities	4.3	6.2
less: Capitalised loan establishment costs	(1.0)	(0.1)
	47.7	216.3
Non-current liabilities		
Unsecured loans	772.9	638.0
Secured bank facilities	48.6	55.3
less: Capitalised loan establishment costs	(5.5)	(8.8)
	816.0	684.5
Facilities utilised at reporting date		
Unsecured bank loans	817.3	848.2
Unsecured guarantees	11.9	47.7
Secured bank loans	52.9	61.5
Secured guarantees	0.2	0.2
Facilities not utilised at reporting date		
Unsecured bank loans	580.0	754.9
Unsecured guarantees	8.6	2.7
Secured bank loans	17.6	140.0
Secured guarantees	0.5	-
Vendor financing		
Vendor financing - *current*	-	1.3
Vendor financing - *non-current*	-	-
	-	1.3
Interest bearing loans and borrowings - *current*	47.7	217.6
Interest bearing loans and borrowings - *non-current*	816.0	684.5
Total interest bearing loans and borrowings	**863.7**	**902.1**

Financing arrangements

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

The secured and unsecured debt facilities are able to be drawn-down as required subject to the borrower being in compliance with undertakings in respect of those facilities. Interest rates are determined by reference to prevailing money market rates at the time of draw-down plus a margin. Interest rates paid during the year ranged from 3.0% to 5.6% (2014: 3.0% to 7.4%).

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

During the year the group discharged the $140 million debt facility, secured by a general security charge over the assets of a subsidiary company which included 48.5 million Trustpower shares held by that subsidiary company.

A non-wholly owned subsidiary company repaid an unsecured A$1 million loan facility, from one of its minority shareholders. The interest rate on this loan was fixed at 12%.

(15) Infratil Infrastructure bonds

	2015 $Millions	2014 $Millions
Balance at the beginning of the year	979.9	904.3
Issued during the year	-	162.2
Matured during the year	-	(85.3)
Exchanged during the year	-	-
Purchased by Infratil during the year	-	(0.1)
Bond issue costs capitalised during the year	-	(3.1)
Bond issue costs amortised during the year	2.0	1.9
Balance at the end of the year	981.9	979.9
Current	152.8	-
Non-current fixed coupon	596.2	747.3
Non-current perpetual variable coupon	232.9	232.6
Balance at the end of the year	981.9	979.9
Repayment terms and interest rates:		
IFT070 Maturing in November 2015, 8.50% p.a. fixed coupon rate	152.8	152.8
IFT150 Maturing in June 2016, 8.50% p.a. fixed coupon rate	100.0	100.0
IFT160 Maturing in June 2017, 8.50% p.a. fixed coupon rate	66.3	66.3
IFT170 Maturing in November 2017, 8.00% p.a. fixed coupon rate	81.1	81.1
IFT180 Maturing in November 2018, 6.85% p.a. fixed coupon rate	111.4	111.4
IFT200 Maturing in November 2019, 6.75% p.a. fixed coupon rate	68.5	68.5
IFT090 Maturing in February 2020, 8.50% p.a. fixed coupon rate	80.5	80.5
IFT190 Maturing in June 2022, 6.85% p.a. fixed coupon rate	93.7	93.7
IFTHA Perpetual Infratil infrastructure bonds	234.9	234.9
less: Bond issue costs capitalised and amortised over term	(7.3)	(9.3)
Balance at the end of the year	981.9	979.9

Fixed coupon

The fixed coupon bonds the Company has on issue are at a face value of $1.00 per bond. Interest is payable quarterly on the bonds. 25 days prior to the maturity date of the IFT070, IFT090, IFT150 and IFT160 series, Infratil can elect to redeem those infrastructure bonds at their $1.00 face value payable in cash, or convert all the infrastructure bonds in the relevant series by issuing the number of shares equivalent to 98% of the face value of the bonds multiplied by the market price of the shares. The market price is the average price weighted by volume of all trades of ordinary shares over the 10 business days up to the fifth business day before the maturity date.

Perpetual Infratil infrastructure bonds ('PIIBs')

The Company has 234,857,200 (2014: 234,857,200) PIIBs on issue at a face value of $1.00 per bond. Interest is payable quarterly on the bonds. For the period to 15 November 2015 the coupon is fixed at 5.26% per annum (2014: 4.53%). Thereafter the rate will be reset annually at 1.5% per annum over the then one year bank rate (quarterly), unless Infratil's gearing ratio exceeds certain thresholds, in which case the margin increases. These infrastructure bonds have no fixed maturity date. No PIIBs (2014: 86,000) were repurchased by Infratil Limited during the period.

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

At 31 March 2015 Infratil Infrastructure bonds (including PIIBs) had a fair value of $966.1 million (2014: $955.3 million).

(16) Trustpower bonds

Unsecured subordinated bonds	2015 $Millions	2014 $Millions
Repayment terms and interest rates:		
TPW070 Maturing in December 2015, 8.40% p.a. fixed coupon rate	100.0	100.0
TPW110 Maturing in December 2019, 6.75% p.a. fixed coupon rate	140.0	140.0
less: Bond issue costs capitalised and amortised over term	(1.3)	(1.8)
Balance at the end of the year	238.7	238.2
Current	100.0	-
Non-current	138.7	238.2
Balance at the end of the year	238.7	238.2

At maturity the Trustpower bonds maturing in December 2015 and prior can be converted at the option of Trustpower to ordinary shares based on the market price of ordinary shares at the time. The bonds are fully subordinated behind all other creditors.

At 31 March 2015 Trustpower's unsecured subordinated bonds had a fair value of $252.0 million (2014: $247.5 million).

Unsecured senior bonds	2015 $Millions	2014 $Millions
Repayment terms and interest rates:		
TPW080 Maturing in December 2014, 7.60% p.a. fixed coupon rate	-	75.0
TPW090 Maturing in December 2016, 8.00% p.a. fixed coupon rate	65.0	65.0
TPW100 Maturing in December 2017, 7.10% p.a. fixed coupon rate	75.0	75.0
TPW120 Maturing in December 2021, 5.63% p.a. fixed coupon rate	105.0	-
less: Bond issue costs capitalised and amortised over term	(1.9)	(1.5)
Balance at the end of the year	243.1	213.5
Current	-	75.0
Non-current	243.1	138.5
Balance at the end of the year	243.1	213.5

Trustpower has entered a Trust Deed dated 30 October 2009 (the Trust Deed) with respect to its senior bonds, which with limited exceptions does not permit Trustpower to grant any security interest over its assets. The Trust Deed requires the Group to 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 the bond trustee.

At 31 March 2015 Trustpower's unsecured senior bonds had a fair value of $256.8 million (31 March 2014: $225.1 million).

(17) Wellington International Airport bonds

Unsecured subordinated bonds	2015 $Millions	2014 $Millions
Repayment terms and interest rates:		
Wholesale bonds maturing August 2017, 3.12% p.a. to 1 May 2015, then repriced quarterly at BKBM plus 25bps	150.0	150.0
Wholesale bonds maturing June 2019, 4.39% p.a. to 17 June 2015, then repriced quarterly at BKBM plus 130bp	25.0	25.0
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
less: Bond issue costs capitalised and amortised over term	(1.1)	(1.3)
Balance at the end of the year	273.9	273.7
Current	-	-
Non-current	273.9	273.7
Balance at the end of the year	273.9	273.7

The Trust Deeds for these bonds require Wellington International Airport to operate within defined performance and debt gearing ratios. The arrangements under the Trust Deeds create restrictions over the sale or disposal of certain assets. Throughout the year Wellington International Airport complied with all debt covenant requirements as imposed by the bond trustee.

At 31 March 2015 WIAL's unsecured subordinated bonds had a fair value of $282.3 million (31 March 2014: $274.7 million).

(18) 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.

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 Audit and Risk Committees for Infratil and each of its significant subsidiaries 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.

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.

Exposure to credit risk *The Group had exposure to credit risk with finance institutions at balance date from cash deposits held as follows:*	2015 $Millions	2014 $Millions
Financial institutions with 'AA-' credit ratings from Standard & Poor's or equivalent rating agencies	363.4	126.3
Financial institutions with 'A' credit ratings from Standard & Poor's or equivalent rating agencies	-	17.8

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	2015 $Millions	2014 $Millions
The ageing analysis of trade receivables is as follows:		
Not past due	135.0	224.9
Past due 0-30 days	7.1	18.4
Past due 31-90 days	1.1	8.9
Greater than 90 days	1.5	20.5
Total	144.7	272.7
The ageing analysis of impaired trade receivables is as follows:		
Not past due	-	(3.1)
Past due 0-30 days	-	(1.7)
Past due 31-90 days	(0.8)	(3.5)
Greater than 90 days	(1.2)	(14.0)
Total	(2.0)	(22.3)
Movement in the provision for impairment of trade receivables for the year was as follows:		
Balance as at 1st April	22.3	22.9
Foreign exchange adjustment on opening balance	-	(3.1)
Impairment loss recognised	1.0	2.5
Disposed as part of investment sale	(21.3)	-
Balance as at 31 March	2.0	22.3
Other current prepayments and receivables	64.0	106.1
Total Trade, accounts receivable and current prepayments	206.7	356.5

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 the year end date. 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 2022.

	Balance sheet	Contractual cash flows	6 months or less	6-12 months	1 to 2 years	2 to 5 years	5 + years
	$Millions	$Millions	$Millions	$Millions	$Millions	$Millions	$Millions
2015							
Accounts payable, accruals and other liabilities	198.5	206.9	191.7	1.7	3.6	7.1	2.8
Unsecured/Secured bank facilities and vendor financing	863.7	907.5	143.9	23.4	163.5	391.9	184.8
Infratil Infrastructure bonds	749.0	930.9	29.6	177.5	139.4	476.5	107.9
Perpetual Infratil Infrastructure bonds	232.9	324.0	6.2	6.2	12.4	37.1	262.1
Wellington International Airport bonds	273.9	331.7	6.5	6.3	12.7	198.5	107.7
Trustpower bonds	481.8	597.4	17.1	115.0	89.6	260.4	115.3
Derivative financial instruments	67.5	75.9	10.6	12.3	19.7	27.3	6.0
	2,867.3	3,374.3	405.6	342.4	440.9	1,398.8	786.6
2014							
Accounts payable, accruals and other liabilities	323.7	325.1	307.9	1.7	5.4	7.1	3.0
Unsecured/Secured bank facilities and vendor financing	902.1	978.2	26.7	16.4	82.9	602.0	250.2
Infratil Infrastructure bonds	747.3	990.1	29.6	29.6	207.1	451.6	272.2
Perpetual Infratil Infrastructure bonds	232.6	322.1	5.3	5.3	10.6	31.9	269.0
Wellington International Airport bonds	273.7	353.7	6.5	6.9	14.8	186.4	139.1
Trustpower bonds	451.7	558.2	17.2	89.2	126.4	180.6	144.8
Derivative financial instruments	58.1	64.0	15.2	18.0	14.3	16.1	0.4
	2,989.2	3,591.4	408.4	167.1	461.5	1,475.7	1,078.7

Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, energy prices and interest rates 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.

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 profile and hedging.

	2015 $Millions	2014 $Millions
At balance date the face value of interest rate contracts outstanding were:		
Interest rate swaps	1,411.6	1,227.1
Fair value of interest rate swaps	(59.2)	(33.0)
The termination dates for the interest rate swaps are as follows:		
Between 0 to 1 year	438.8	218.3
Between 1 to 2 years	121.5	240.5
Between 2 to 5 years	614.1	521.4
Over 5 years	237.2	246.9

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.

	2015 $Millions	2014 $Millions
Profit or loss		
100 bp increase		
100 bp decrease	31.0	28.4
Other comprehensive income	(32.7)	(29.0)
100 bp increase		
100 bp decrease	0.1	1.0
	(0.1)	(2.1)

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 enters 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.

	2015 $Millions	2014 $Millions
At balance date the face value of the forward foreign exchange contracts outstanding were:		
Foreign exchange contracts	1.6	46.5
Fair value of foreign exchange contracts	0.2	1.8
The termination dates for foreign exchange contracts are as follows:		
Between 0 to 1 year	1.6	46.5
Between 1 to 2 years	-	-
Between 2 to 5 years	-	-
Over 5 years	-	-

Foreign exchange sensitivity analysis

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

	2015 $Millions	2014 $Millions
Profit or loss		
Strengthened by 10 per cent	-	1.2
Weakened by 10 per cent	-	(1.2)
Other comprehensive income		
Strengthened by 10 per cent	(0.4)	(2.1)
Weakened by 10 per cent	0.4	2.3

Significant assumptions used in the foreign currency exposure sensitivity analysis include:

Reasonably possible movements in foreign exchange rates were determined based on a review of the last two years' historical movements. A movement of plus or minus 10% has therefore been applied to the AUD/NZD exchange rate 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 spot rate as at balance date, moving this spot rate by plus and minus 10% and then reconverting the AUD with the 'new spot-rate'. This methodology reflects the translation methodology undertaken by the Group.

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:

	2015 $Millions	2014 $Millions
Cash, short term deposits and trade receivables		
Australian Dollars (AUD)	54.8	214.1
Bank overdraft, bank debt and accounts payable		
Australian Dollars (AUD)	80.7	180.2

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.

	2015	2014
At balance date the aggregate notional volume of outstanding energy derivatives were:		
Electricity (GWh)	1,591	6,427
Gas (Tj)	-	1,220
Oil (barrels '000)	39	915
Fair value of energy derivatives ($m)	6.1	(4.8)

As at 31 March 2015, the Group had energy contracts outstanding with various maturities up to September 2017. 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 2015 will be continuously released to the income statement in each period in which the underlying purchase transactions are recognised in the profit or loss.

	2015 $Millions	2014 $Millions
The termination dates for the energy derivatives are as follows:		
Between 0 to 1 year	30.5	545.5
Between 1 to 2 years	45.1	129.8
Between 2 to 5 years	50.0	87.7
Over 5 years	-	-
	125.7	763.0

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.

	2015 $Millions	2014 $Millions
Profit or loss		
10% decrease in energy forward prices	(1.1)	(5.1)
10% increase in energy forward prices	1.1	5.5
Other comprehensive income		
10% decrease in energy forward prices	(10.7)	(1.3)
10% increase in energy forward prices	10.7	1.3

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015

Fair Values

The carrying amount of financial assets and financial liabilities recorded in the financial statements is their fair value, with the exception of bond debt held at amortised cost which have a fair value at 31 March 2015 of $1,757.2 million (2014: $1,702.6 million) compared to a carrying value of $1,737.6 million (2014: $1,705.3 million).

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

	2015 $Millions	2014 $Millions
Assets		
Derivative financial instruments - energy	11.6	14.6
Derivative financial instruments - foreign exchange	0.2	2.8
Derivative financial instruments - interest rate	2.7	4.7
	14.5	22.1
Split as follows:		
Current	3.9	6.1
Non-current	10.6	16.0
	14.5	22.1
Liabilities		
Derivative financial instruments - energy	5.5	19.4
Derivative financial instruments - foreign exchange	-	1.0
Derivative financial instruments - interest rate	61.9	37.7
	67.4	58.1
Split as follows:		
Current	5.3	15.5
Non-current	62.2	42.6
	67.5	58.1

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 5.0% to 5.3%

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.

2015	Level 1 $Millions	Level 2 $Millions	Level 3 $Millions	Total $Millions
Assets per the statement of financial position				
Derivative financial instruments - energy	-	0.1	11.5	11.6
Derivative financial instruments - foreign exchange	-	0.2	-	0.2
Derivative financial instruments - interest rate	-	2.7	-	2.7
Total	-	3.0	11.5	14.5
Liabilities per the statement of financial position				
Derivative financial instruments - energy	-	1.2	4.3	5.5
Derivative financial instruments - foreign exchange	-	-	-	-
Derivative financial instruments - interest rate	-	62.0	-	62.0
Total	-	63.2	4.3	67.5
2014				
Assets per the statement of financial position				
Derivative financial instruments - energy	12.0	-	2.6	14.6
Derivative financial instruments - foreign exchange	-	2.8	-	2.8
Derivative financial instruments - interest rate	-	4.7	-	4.7
Total	12.0	7.5	2.6	22.1
Liabilities per the statement of financial position				
Derivative financial instruments - energy	3.1	7.0	9.3	19.4
Derivative financial instruments - foreign exchange	-	1.0	-	1.0
Derivative financial instruments - interest rate	-	37.7	-	37.7
Total	3.1	45.7	9.3	58.1

There were no transfers between derivative financial instrument assets or liabilities classified as level 1 or level 2, and level 3 of the fair value hierarchy during the year ended 31 March 2015 (2014: 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.

	2015 $Millions	2014 $Millions
Assets per the statement of financial position		
Opening balance	2.6	5.9
Foreign exchange movement on opening balance	-	(0.4)
Gains and (losses) recognised in profit or loss	1.8	(2.9)
Gains and (losses) recognised in other comprehensive income	7.1	-
Closing balance	11.5	2.6
Total gains or (losses) for the year included in profit or loss for assets held at the end of the reporting year	4.4	(2.3)
Liabilities per the statement of financial position		
Opening balance	9.3	14.9
Foreign exchange movement on opening balance	-	(0.1)
(Gains) and losses recognised in profit or loss	(1.7)	5.7
(Gains) and losses recognised in other comprehensive income	(1.5)	(11.2)
Sold as part of the disposal of a subsidiary	(1.8)	-
Closing balance	4.3	9.3
Total losses for the year included in profit or loss for liabilities held at the end of the reporting year	3.4	6.2
Settlements during the year	(14.9)	(2.1)

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 and an assessment of value for shareholders. Primarily the shares are intended to be held as treasury stock and may be reissued under the Dividend Reinvestment Plan or cancelled. There were no changes in the Group's approach to capital management during the year. The Company and the Group's borrowings are subject to certain compliance ratios relevant to 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, with no more than 35% of bank facilities maturing in any six month period. Discussions on refinancing of facilities will normally commence at least six months before maturity with facility terms agreed at least two months prior to maturity. Facilities are maintained with AA- (2014: AA-) 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.

(19) 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 below.

Subsidiaries	2015 Holding	2014 Holding	Principal activity
Investment activities			
New Zealand			
Infratil Finance Limited	100%	100%	Finance
Swift Transport Limited	100%	100%	Investment
Snapper Services Limited	100%	100%	Technology
Infratil Infrastructure Property Limited	100%	100%	Property
iSite Limited	100%	100%	Advertising
New Lynn Central Limited Partnership (financial year end: 30 June)	58.0%	58.0%	Property
PayGlobal Limited	-	54.2%	Software distribution & support
Transportation activities			
New Zealand			
New Zealand Bus Finance Company Limited	100%	100%	Investment
New Zealand Bus Limited	100%	100%	Investment
Transportation Auckland Corporation Limited	100%	100%	Public transport
Wellington City Transport Limited	100%	100%	Public transport
North City Bus Limited	100%	100%	Public transport
Cityline (NZ) Limited	100%	100%	Public transport
Airport activities			
New Zealand			
Wellington International Airport Limited	66.0%	66.0%	Airport
Wellington Airport Noise Treatment Limited	66.0%	66.0%	Noise treatment
Energy activities			
New Zealand			
Trustpower Limited	51.1%	51.0%	Electricity retail and generation
Tararua Wind Power Limited	51.1%	51.0%	Asset holding
Trustpower Australia (New Zealand) Limited	51.1%	51.0%	Asset holding
Trustpower Insurance Limited	51.1%	51.0%	Insurance
Australia			
Direct Connect Australia Pty Limited	-	100%	Utility connections
Infratil Energy Australia Pty Limited	-	100%	Wholesale energy
GSP Energy Pty Ltd (formerly known as Sellicks Hill Wind Farm Pty Limited)	51.1%	51.0%	Electricity generation
Lumo Energy (NSW) Pty Limited	-	100%	Electricity retailer
Lumo Energy (QLD) Pty Limited	-	100%	Electricity retailer
Lumo Energy (SA) Pty Limited	-	100%	Electricity retailer
Lumo Energy Australia Pty Limited	-	100%	Electricity retailer
Lumo Energy Telecommunications Pty Limited	-	100%	Electricity retailer
Lumo Generation NSW Pty Limited	-	100%	Electricity generation
Perth Energy Pty Limited	80.0%	80.0%	Electricity retailer
Snowtown Wind Farm Pty Limited	51.1%	51.0%	Electricity generation
Snowtown Wind Farm Stage 2 Pty Limited	51.1%	51.0%	Electricity generation
Snowtown South Wind Farm Pty Limited	51.1%	51.0%	Electricity generation
TFI Partners Pty Limited	-	100%	Utility connections
Trustpower Australia Financing Partnership	51.1%	51.0%	Finance
Trustpower Australia Holdings Pty Limited	51.1%	51.0%	Generation development
Trustpower Market Service Pty Limited	51.1%	51.0%	Financial Services
WA Power Exchange Pty Limited	80.0%	80.0%	Electricity retailer
Western Energy Pty Limited	80.0%	80.0%	Electricity generation
Associates			
New Zealand			
Mana Coach Holdings Limited	26.0%	26.0%	Public transport
Z Energy Limited	20.0%	20.0%	Fuels distribution and retailing
Metlifecare Limited (financial year end: 30 June)	19.9%	19.9%	Retirement Living
Australia			
RA (Holdings) 2014 Pty Limited	50.0%	-	Retirement Living

(20) Infratil shares and warrants

Ordinary shares (fully paid)

	2015	2014
Total issued capital at the beginning of the year	561,617,737	583,321,349
Movements in issued and fully paid ordinary shares during the year:		
Share buyback (held as treasury stock)	-	(25,983,615)
Treasury Stock reissued under dividend reinvestment plan	-	4,096,777
Conversion of executive redeemable shares	257,500	183,226
Total issued capital at the end of the year	561,875,237	561,617,737

All fully paid ordinary shares have equal voting rights and share equally in dividends and equity. At 31 March 2015 the Group held 4,500,000 shares as Treasury Stock (2014: 25,297,405 shares).

Dividends paid on ordinary shares

	2015 cents per share	2014 cents per share	2015 $Millions	2014 $Millions
Final dividend prior year	7.00	6.00	39.3	35.0
Interim dividend paid current year	4.50	3.75	25.3	22.0
Special dividend paid current year	15.00	-	84.2	-
Dividends paid on ordinary shares	26.50	9.75	148.8	57.0

Executive redeemable shares

	2015	2014
Balance at the beginning of the year	1,082,500	1,202,500
Shares issued	512,500	415,000
Shares converted to ordinary shares	(257,500)	(183,226)
Shares cancelled	-	(351,774)
Balance at end of year	1,337,500	1,082,500

During the year no shares were forfeited by executives leaving the Group (2014: 15,000).

(21) Earnings per share

	2015 $Millions	2014 $Millions
Net surplus attributable to ordinary shareholders	383.5	198.9
Basic earnings per share (cps)	68.3	34.4
Weighted average number of ordinary shares		
Issued ordinary shares at 1 April	561.6	583.3
Effect of new shares issued under Executive Share Scheme	0.1	-
Effect of shares issued through dividend reinvestment plan	-	2.7
Effect of shares bought back	-	(8.2)
Weighted average number of ordinary shares at end of year	561.7	577.8
Diluted earnings per share		
Diluted earnings per share (cps)	68.3	34.4
Weighted average number of ordinary shares (diluted)		
Weighted average ordinary shares (calculated above)	561.7	577.8
Effect of warrants on issue during the year	-	-
Weighted average number of ordinary shares at end of year (diluted)	561.7	577.8

There were no warrants outstanding for the reported or comparative years and therefore no dilutive effect.

(22) Share scheme

Infratil Executive Redeemable Share Scheme

During the year selected key eligible executives and senior managers of Infratil and certain of its subsidiaries were invited to participate in the Infratil Executive Redeemable Share Scheme to acquire Executive Redeemable Shares (‘Executive Shares’). The Executive Shares have certain rights and conditions and cannot be traded and do not convert to ordinary shares until those conditions have been met. The Executive Shares confer no rights to receive dividends or other distributions or to vote. Executive Shares may be issued which will convert to ordinary shares after three years (other than in defined circumstances) provided that the issue price has been fully paid and vesting conditions have been met. The vesting conditions include share performance hurdles with minimum future share price targets which need to be achieved over the specified period. The number of shares that “vest” (or LTI bonus paid) is based on the share price performance over the relevant period of the Infratil ordinary shares. If the executive is still employed by the Group at the end of the specified period, provided the share performance hurdles are met the employee receives a long term incentive bonus ('LTI') which must be used to repay the outstanding issue price of the Executive Shares and the Executive Shares are then converted to fully paid ordinary shares of Infratil.

512,500 Infratil Executive Redeemable Shares were granted at a price of $2.9164 on 23 December 2014 (2014: 415,000 shares at $2.3180 on 17 December 2013), at the volume weighted average market price over the 20 business days immediately preceding the date on which the shares were issued to each executive. One cent per Executive Share was paid up in cash by the executive with the balance of the issue price payable when the executive becomes eligible to receive the long term incentive bonus.

Executive Shares are valued based on the market price at date of grant adjusted for dividends that are not received. Volatility is based on historic volatility in Infratil’s share price. In the event that there is a consolidation or subdivision of the ordinary shares, then the number of Executive Shares offered will increase (or decrease as the case may be) and the issue price will decrease (or increase respectively) in the same proportion. In the event of an offer for the ordinary shares of the company, the LTI bonus determination date will be accelerated to the date the offer becomes unconditional.

(23) Leases

The Group has receivables from operating leases relating to the lease of premises. These receivables expire as follows:

	2015 $Millions	2014 $Millions
Operating lease receivables as lessor		
Between 0 to 1 year	12.7	14.8
Between 1 to 2 years	5.6	10.9
Between 2 to 5 years	10.3	12.8
More than 5 years	8.7	11.4
	37.3	49.9

Over 90% of the electricity generated by Trustpower’s Australian wind farms is sold via power purchase agreements to a significant Australian electricity retailer. These agreements have been deemed as operating leases of the wind farms under NZ IFRS and all revenue under the contracts are accounted for as lease revenue (2015: $111.2 million, 2014: $47.7 million).

Because of the contract terms, in particular that the volume of energy supplied is dependent on the actual generation of the wind farms, the future minimum payments under the terms of the contracts, that expire on 31 December 2018 and 31 December 2030, are not able to be quantified.

The Group has commitments under operating leases relating to the lease of premises, the hire of plant and equipment, and the lease of billboard and light-box sites. These commitments expire as follows:

	2015 $Millions	2014 $Millions
Operating lease commitments as lessee		
Between 0 to 1 year	19.4	15.3
Between 1 to 2 years	31.0	20.9
Between 2 to 5 years	29.5	59.8
More than 5 years	50.6	30.8
	130.5	126.8

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

	2015 $Millions	2014 $Millions
Net surplus for the year	466.3	274.6
(Add) / Less items classified as investing activity		
(Gain) / Loss on investment realisations and impairments	(369.9)	(164.3)
Add items not involving cash flows		
Movement in financial derivatives taken to the profit or loss	31.4	27.0
Decrease in deferred tax liability excluding transfers to reserves	(16.6)	6.3
Changes in fair value of investment properties	(0.4)	(0.5)
Equity accounted earnings of associate net of distributions received	7.7	36.6
Depreciation	136.6	120.4
Movement in provision for bad debts	9.7	19.6
Amortisation of intangibles	22.6	33.9
Other	11.0	9.3
Movements in working capital		
Change in receivables	(36.8)	32.3
Change in inventories	4.4	1.0
Change in trade payables	(6.7)	(4.3)
Change in accruals and other liabilities	(13.7)	12.4
Change in current and deferred taxation	(10.0)	2.9
Net cash flow from operating activities	235.6	407.2

(25) Segment analysis

Reportable segments of the Group are analysed by significant businesses. The Group has six reportable segments, as described below:
Trustpower is our renewable generation investment, Wellington International Airport is our Wellington airport investment, NZ Bus is our transportation investment, Infratil Energy Australia (including Perth Energy) is our non renewable generation investment and Infratil Airports Europe was our UK airport investment. Other comprises investment activity not included in the specific categories. The principal investments in Other are the Group's interests in Z Energy, Metlifecare, RetireAustralia and ASIP.

2015	Trustpower New Zealand $Millions	Wellington Airport New Zealand $Millions	NZ Bus New Zealand $Millions	Infratil Energy Australia Australia $Millions	Infratil Airports Europe UK $Millions	All other segments and corporate New Zealand $Millions	Eliminations and reclassification to discontinued operations $Millions	Total from Continuing Operations $Millions
Segment revenue	993.5	108.3	229.8	740.3	-	160.5	(452.7)	1,779.7
Share of earnings and income of associate companies	-	-	-	-	-	11.5	-	11.5
Inter-segment revenue	-	(1.5)	(3.7)	-	-	(117.1)	-	(122.3)
Segment revenue - external	993.5	106.8	226.1	740.3	-	54.9	(452.7)	1,668.9
EBITDAF	330.7	82.1	34.2	54.9	-	(6.5)	(42.0)	453.4
Interest income	1.1	0.5	0.1	0.9	-	15.5	(6.1)	12.0
Interest expense	(79.6)	(18.3)	(4.4)	(8.4)	-	(85.7)	6.2	(190.2)
Depreciation and amortisation	(98.2)	(16.2)	(26.4)	(15.4)	-	(3.0)	9.5	(149.7)
Net gain/(loss) on foreign exchange and derivatives	(14.2)	(1.2)	-	4.9	-	(20.9)	(4.9)	(36.3)
Net realisations, revaluations and (impairments)	24.9	(0.3)	(0.2)	56.0	-	289.9	(340.8)	29.5
Fair value gain on acquisition of associate	-	-	-	-	-	-	-	-
Taxation expense	(20.7)	1.2	3.6	(11.2)	-	(3.3)	10.8	(19.6)
Segment result	144.0	47.8	6.9	81.7	-	186.0	(367.3)	99.1
Investments in associates	-	-	-	-	-	500.3	-	500.3
Total non-current assets (excluding financial instruments and deferred tax)	3,531.4	805.2	298.2	136.3	-	581.2	-	5,352.3
Total assets	3,690.5	841.5	317.0	191.4	-	907.3	-	5,947.7
Total liabilities	1,771.3	403.4	52.2	96.6	-	1,068.9	-	3,392.4
Capital expenditure/investment (including accruals)	199.8	21.9	15.3	15.1	-	255.5	-	507.6

2014	Trustpower New Zealand $Millions	Wellington Airport New Zealand $Millions	NZ Bus New Zealand $Millions	Infratil Energy Australia Australia $Millions	Infratil Airports Europe UK $Millions	All other segments and corporate New Zealand $Millions	Eliminations and reclassification to discontinued operations $Millions	Total from Continuing Operations $Millions
Segment revenue	811.7	110.9	222.9	1,154.3	27.3	225.8	(1,037.1)	1,515.8
Share of earnings and income of associate companies	-	-	-	-	-	37.7	-	37.7
Inter-segment revenue	-	(1.9)	(3.4)	-	-	(174.0)	179.3	-
Segment revenue - external	811.7	109.0	219.5	1,154.3	27.3	89.5	(857.8)	1,553.5
EBITDAF	277.4	86.0	40.0	78.0	(9.3)	18.9	(53.6)	437.4
Interest income	1.5	1.3	0.1	1.5	-	21.6	(21.0)	5.0
Interest expense	(63.2)	(20.0)	(4.0)	(23.0)	(2.1)	(94.7)	21.9	(185.1)
Depreciation and amortisation	(72.0)	(15.8)	(27.2)	(32.4)	(2.5)	(4.4)	28.1	(126.2)
Net gain/(loss) on foreign exchange and derivatives	9.4	10.2	-	(17.9)	(80.1)	51.4	97.7	70.7
Net realisations, revaluations and (impairments)	(0.2)	(0.3)	3.4	(4.1)	(20.2)	186.2	24.3	189.1
Fair value gain on acquisition of associate	-	-	-	-	-	33.1	-	33.1
Taxation expense	(37.8)	(2.6)	(1.3)	(0.9)	11.3	(20.6)	(6.9)	(58.8)
Segment result	115.1	58.8	11.0	1.2	(102.9)	191.5	90.5	365.2
Investments in associates	-	-	-	-	-	292.2	-	292.2
Total non-current assets (excluding financial instruments and deferred tax)	3,070.4	799.0	310.2	365.1	-	346.7	-	4,891.4
Total assets	3,255.8	842.3	329.1	598.1	-	424.5	-	5,449.8
Total liabilities	1,632.3	402.0	46.7	223.2	-	1,109.7	-	3,413.9
Capital expenditure/investment (including accruals)	349.7	20.3	68.1	22.0	2.5	153.5	-	616.1

Entity wide disclosure - geographical

The Group operated in three principal areas New Zealand, Australia and the United Kingdom (until 2014). The group's geographical segments are based on the location of both customers and assets.

2015	New Zealand $Millions	Australia $Millions	United Kingdom $Millions	Eliminations and reclassification to discontinued operations $Millions	Total from Continuing Operations $Millions
Segment revenue	1,362.8	869.6	-	(452.7)	1,779.7
Share of earnings and income of associate companies	17.7	(6.2)	-	-	11.5
Inter-segment revenue	(122.3)	-	-	-	(122.3)
Segment revenue - external	1,258.2	863.4	-	(452.7)	1,668.9
EBITDAF	349.1	146.3	-	(42.0)	453.4
Interest income	16.7	1.4	-	(6.1)	12.0
Interest expense	(142.5)	(53.9)	-	6.2	(190.2)
Depreciation and amortisation	(107.6)	(51.6)	-	9.5	(149.7)
Net gain/(loss) on foreign exchange and derivatives	(22.6)	(8.8)	-	(4.9)	(36.3)
Net realisations, revaluations and (impairments)	288.7	81.6	-	(340.8)	29.5
Fair value gain on acquisition of associate	-	-	-	-	
Taxation expense	(16.2)	(14.2)	-	10.8	(19.6)
Segment result	365.5	100.8	-	(367.3)	99.0
Investments in associates	291.7	208.6	-	-	500.3
Total non-current assets (excluding financial instruments and deferred tax)	3,939.4	1,412.9	-	-	5,352.3
Total assets	4,448.8	1,498.9	-	-	5,947.7
Total liabilities	2,550.3	842.1	-	-	3,392.4
Capital expenditure/investment (including accruals)	100.2	407.4	-	-	507.6
2014					
Segment revenue	1,319.9	1,205.7	27.3	(1,037.1)	1,515.8
Share of earnings and income of associate companies	37.7	-	-	-	37.7
Inter-segment revenue	(179.3)	-	-	179.3	-
Segment revenue - external	1,178.3	1,205.7	27.3	(857.8)	1,553.5
EBITDAF	390.0	110.3	(9.3)	(53.6)	437.4
Interest income	24.1	1.9	-	(21.0)	5.0
Interest expense	(163.2)	(41.7)	(2.1)	21.9	(185.1)
Depreciation and amortisation	(102.7)	(49.1)	(2.5)	28.1	(126.2)
Net gain/(loss) on foreign exchange and derivatives	67.3	(14.2)	(80.1)	97.7	70.7
Net realisations, revaluations and (impairments)	189.1	(4.1)	(20.2)	24.3	189.1
Fair value gain on acquisition of associate	33.1	-	-	-	33.1
Taxation expense	(68.3)	5.1	11.3	(6.9)	(58.8)
Segment result	369.4	8.2	(102.9)	90.5	365.2
Investments in associates	292.2	-	-	-	292.2
Total non-current assets (excluding financial instruments and deferred tax)	3,842.8	1,048.6	-	-	4,891.4
Total assets	4,126.5	1,323.3	-	-	5,449.8
Total liabilities	2,570.9	843.0	-	-	3,413.9
Capital expenditure/investment (including accruals)	295.7	317.9	2.5	-	616.1

The group has no significant reliance on any one customer.

(26) Capital Commitments

Capital commitments	2015 $Millions	2014 $Millions
Committed but not contracted for	1.2	3.1
Contracted but not provided for	38.8	65.1
	40.0	68.2

The capital commitments include terminal development works at Wellington International Airport. See also note 13 for Infratil's commitment to ASIP.

(27) Contingent liabilities and legal matters

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

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

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

If IAEL was found to have received state aid, it would be required to refund the state aid received, together with interest. The European Commission had previously indicated that it will close all pending cases by September 2014. We understand that the Commission has recently expressed a desire to close those cases before the European summer break 2015. As the directors cannot predict with any degree of certainty the outcome of the above matter, it is not possible to assess accurately the quantum of any financial cost to the Group.

Trustpower was successful in its High Court case against Inland Revenue. The Court ruled that Trustpower's existing tax treatment of feasibility expenditure incurred in the 2006 to 2008 financial years was appropriate and disagreed with Inland Revenue's view that the resource consents acquired were capital assets. Inland Revenue has appealed this decision. The appeal was heard by the Appeal Court in March 2015 but to date no judgment has been received. Inland Revenue has reassessed the 2009 and 2010 years and has made further claims. Trustpower has disputed this assessment. This dispute has been lodged with the High Court but is on hold pending an outcome in the initial 2006 to 2008 dispute. It is likely Inland Revenue will take the same approach in assessing the 2011 and future tax years.

Should Inland Revenue be completely successful in its claim it would give rise to the following outcomes:

Additional amount owed to Inland Revenue:	Tax Payment $Millions	Interest Expense $Millions	Total $Millions
2006 to 2008	5.9	3.0	8.9
2009 to 2010	2.6	1.3	3.9
2011 to 2015	2.0	0.5	2.5
Total	10.6	4.8	15.4

The tax payable would primarily result in a balance sheet adjustment in the financial statements as most resource consents are depreciable intangible property. The impact of these adjustments on the tax expense in the income statement is difficult to estimate but is unlikely to exceed $2,500,000 for all years up to March 2015. The interest cost would be to comprehensive income.
Trustpower has been awarded $1,177,000 of costs in relation to the High Court case. These costs have been paid by Inland Revenue however the awarding of costs has also been appealed and therefore the treatment of these costs is dependent on the outcome of the Appeal Court case noted above.

(28) 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).

Key management personnel remuneration comprised	2015 $Millions	2014 $Millions
Short-term employee benefits	13.7	19.0
Termination benefits	-	0.5
Other long-term benefits	0.2	0.8
Share based payments	0.6	0.5
	14.5	20.8

Directors fees paid to directors of Infratil Limited and its subsidiaries during the year were $2.4 million (2014: $2.8 million). $0.3 million of the total Directors fees during the year (2014: $0.3 million) were paid to Directors of the Infratil Energy Australia Group and PayGlobal and are included with the result from discontinued operations.

(29) 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'). Messrs M Bogoievski and D P Saville are directors of, and Mr Muh is an alternate director of Infratil. Mr Bogoievski is a director and Chief Executive Officer of MCO, Mr Muh is an executive director of MCO, and Mr Saville is a non-executive director of MCO. Entities associated with Mr Bogoievski, Mr Saville and Mr Muh also have beneficial interests in MCO.

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

	2015 $Millions	2014 $Millions
Management fees	19.7	19.1
Incentive fees on realisations of international assets	44.5	-
Executive secondment and consulting	0.2	0.6
Directors fees	1.6	1.6
Financial management, accounting, treasury, compliance and administrative services	1.3	1.2
Investment banking services	3.9	0.8
Total management and other fees	71.2	23.3

At 31 March 2015 amounts owing to MCIM of $2.0 million (excluding GST) are included in trade creditors (2014: $1.6 million).

$0.4 million of management fees, $3.7m of investment banking services, and the $44.5 million incentive fee on the realisation of international assets are included in the table above, and are included within the result from discontinued operations (2014: $1.9 million of management fees (including $0.2 million relating to Infratil Airports Europe Limited)).

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

	2015	2014
Infratil Airports Europe	-	GBP 20,000
Infratil Energy Australia	AUD 30,053	AUD 60,071
iSite	NZD 31,172	NZD 30,270
Lumo Energy	AUD 151,887	AUD 220,378
Metlifecare	NZD 150,000	NZD 45,161
NZ Bus	NZD 169,000	NZD 164,000
Perth Energy	AUD 129,347	AUD 93,000
Retire Australia	AUD 67,500	-
Snapper Services	NZD 52,364	NZD 50,450
Trustpower	NZD 245,000	NZD 245,000
Wellington International Airport	NZD 233,245	NZD 182,000
Z Energy	NZD 190,625	NZD 206,042

(30) Management fee to Morrison & Co Infrastructure Management Limited ('MCIM')

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: plus
• the book value of the debt in any wholly owned non-Australasian investments.

The investment in the Glasgow Prestwick group of companies was treated as an investment in a New Zealand asset for management fee purposes.
• An international fund incentive fee is payable at the rate of 20% of gains on the international (including Australian) assets in excess of 12% per annum post tax.
• A venture capital fund management fee is payable, at the rate of 2% per annum on investment entities with values up to $7.5 million and 1.2% per annum on investment entities with values over $7.5 million. A venture capital fund incentive fee is payable at the rate of 20% of gains on the investment assets in excess of 17.5% per annum pre-tax.

(31) Events after balance date

Dividend
On 18 May 2015 the Directors have approved a fully imputed final dividend of 8 cents per share to holders of fully paid ordinary shares to be paid on the 15th of June 2015.

Special Dividend
On 18 May 2015 the Directors have approved a fully imputed special dividend of 6.4 cents per share to holders of fully paid ordinary shares to be paid on the 15th of June 2015.

Directory

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

Company Secretary
P Harford

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Manager
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Wellington

Bank of New Zealand
Level 4
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Auckland

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

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

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

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

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

Independent auditor’s report

To the shareholders of Infratil Limited

We have audited the accompanying consolidated financial statements of Infratil Limited and its subsidiaries ("the group") on pages 1 to 43. The financial statements comprise the consolidated statement of financial position as at 31 March 2015, the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the consolidated financial statements

The directors are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with generally accepted accounting practice in New Zealand and the International Financial Reporting Standards, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement whether due to fraud or error.

Auditor’s responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the group’s preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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

Opinion

In our opinion, the consolidated financial statements on pages 1 to 43 comply with generally accepted accounting practice in New Zealand and present fairly, in all material respects, the consolidated financial position of Infratil Limited as at 31 March 2015 and its consolidated financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

KPMG

18 May 2015
Wellington

INFRATIL
FULL YEAR RESULTS
Year ended 31 March 2015

19 May 2015

Full Year Overview
Asset sales and new investments generate record results in FY15

- Record net surplus following asset realisations
  - $337.7m gain on sale of the IEA/Lumo Group
- EBITDAF from continuing operations +3.7% (+10.3% adjusted)
- Successful execution of portfolio renewal and capital expenditure:
  - Acquisition of 50% of RetireAustralia - A$203.9m
  - A$72m acquisition of Green State Power by Trustpower
  - Completion of A$427m Snowtown II wind farm
- $120m capital distributions to shareholders:
  - Additional special dividend of 6.4 cps ($36m), replaces previously signaled on-market buyback
  - Special dividend of 15 cps ($84m) paid in December 2014
- Final ordinary dividend of 8 cps, up 14% on prior year, and total ordinary dividends of 12.5 cps for the year
- Strong capital position and confidence around future investment opportunities

Financial Highlights
Gain on sale of Lumo dominates reported net surplus

Full Year Ended 31 March ($Millions)	2015	2014	Variance	% Change
EBITDAF (continuing activities)	**453.4**	437.4	16.0	3.7%
Operating Earnings (continuing activities)	**125.5**	131.1	(5.6)	(4.3%)
Net Surplus after Tax, MI and Disc Ops	**383.5**	198.9	184.6	92.8%
Net Operating Cash Flow	**235.6**	407.2	(171.6)	(42.1%)
Capital Expenditure/Investment	**507.6**	616.1	(108.5)	(17.6%)

Result Summary
Adjusted EBITDAF +10.3% on prior year

- $45.1m increase in adjusted EBITDAF(1) to $484.0m (+10.3%)
- Increased contribution from Trustpower partially offset by aeronautical price reset in WIAL
- Full year contribution from Metlifecare
- Decreased contribution from Z Energy as a result of the FY14 IPO
- IEA EBITDAF included within discontinued operations

($Millions)	31 March 2015	31 March 2014	% Change
EBITDAF(1)	**453.4**	**437.4**	**3.7%**
Equity earnings adjustment(2)	30.6	1.5	1,940%
Adjusted EBITDAF	**484.0**	**438.9**	**10.3%**
Depreciation & Amortisation	(149.7)	(126.2)	(18.6%)
Adjusted EBIT	**334.3**	**312.7**	**6.9%**

(1) EBITDAF from continuing operations
(2) Equity earnings adjustments detailed in Appendix II (Z Energy replacement cost adjustment and RetireAustralia one-off items)

Result Summary

Special dividend of 6.4 cps will augment final dividend of 8.0 cps

Infratil

OPERATING CASH FLOW

- $235.6m for the period (-42% versus PY of $407.2m)
- Prior period included $100.9m of distributions from Z Energy, full year of Lumo and derivative realisations of $37.5m

MARK TO MARKET FAIR VALUES

- Energy, FX and IRS derivative losses of $36.3m
- Fair value gain on acquisition of Green State Power of $25.2m
- Gains on realisations of PayGlobal and New Lynn property of $7.4m after tax

FINAL ORDINARY DIVIDEND AND SPECIAL DIVIDEND [1]

Final **ordinary** dividend of **8.0** cps and **special** dividend of **6.4** cps, fully imputed payable on **15 June 2015** to shareholders recorded as owners by the registry as at **5 June 2015** (last year final ordinary of 7.0 cps)

[1] The DRP will be suspended for these dividends

Adjusted EBITDAF Breakdown
Completion of Snowtown II drives EBITDAF growth

FY 31 March ($Millions)	2015	2014
Trustpower	**330.7**	277.4
Wellington Airport	**82.1**	86.0
NZ Bus	**34.2**	40.0
Perth Energy	**14.1**	16.8
Other, eliminations, etc.	**(19.2)**	(20.5)
EBITDAF pre associates	**441.9**	**399.7**
Z Energy – adjusted (1)	**24.2**	34.2
Metlifecare	**16.3**	5.0
RetireAustralia – adjusted (1)	**1.6**	-
Adjusted EBITDAF – continuing	**484.0**	**438.9**

(1) Z Energy replacement cost adjustment and RetireAustralia acquisition cost adjustment detailed in Appendix II

- **Trustpower** – EBITDAF increase of 19% following completion of the Snowtown II wind farm
- **Wellington Airport** – Reset aeronautical charges depressed growth in EBITDAF despite PAX and commercial revenue growth
- **NZ Bus** – EBITDAF -14% reflects 4.2% passenger growth offset by lower Auckland yield and one-off restructuring costs of $5m
- **Z Energy** – strong growth in replacement cost earnings partially offset by decrease in IFT ownership percentage post 2013 IPO
- **Metlifecare** – Acquired in November 2013, continued growth in operating performance, development activity and asset revaluation
- **RetireAustralia** – Acquired 31 December 2014, on plan for first quarter

Debt Position

Strong capital base with facility head room and duration

- Cash position of $309m and wholly owned subsidiaries bank facilities drawn of $80m
- Senior debt facilities have maturities up to 4 years and 6 years (for bus finance export credit facility)
- Reduction of $340m in unused facilities during the period to $356m
- Infratil gearing 29.9**%** (net debt / total net debt + equity capitalisation) including Piibs (down from 45.6% at March 2014)
- Infratil continues to target duration of its borrowings consistent with the profile of its assets and long-term ownership

As at 31 March ($Millions)	2016	2017	2018	2019	>4 yrs	>10 yrs
Bonds	152.8	100.0	147.4	111.4	242.7	234.9
Infratil bank facilities(1)	62.0	132.0	57.0	25.0	-	-
100% subsidiaries bank facilities(2)	12.7	12.7	12.7	12.7	29.4	-

(1) Infratil and wholly-owned subsidiaries excludes Trustpower, WIAL, Perth Energy, RetireAustralia, Z Energy and Metlifecare
(2) NZ Bus export credit guarantee fleet procurement facility

Net Asset Values
Book values at 31 March

Investment ($Millions)	2015	2014
Trustpower	**1,270.0**	1,036.7
Z Energy	**410.4**	312.0
Wellington Airport	**349.9**	351.1
NZ Bus	**285.8**	303.1
RetireAustralia	**208.6**	-
Metlifecare	**199.6**	170.6
Perth Energy	**76.7**	76.8
Other	**86.5**	78.6
Infratil Energy Australia	**-**	271.9
Total	**2,887.5**	**2,601.2**

- **Trustpower** – listed market value ($7.95) reflects re-rating of NZ electricity generators/ retailers post the NZ election
- **Z Energy** – significant growth in listed market share price ($5.13 vs $3.90)
- **WIAL** – investment value represents 66% of book value of net assets
- **NZ Bus** – movement reflects asset depreciation
- **RetireAustralia** – acquisition cost plus share of trading result
- **Metlifecare** – movement in listed market share price ($4.72 vs $4.07)
- **Other** investments include ASIP, iSite, Snapper and Property

Sale of IEA/Lumo 30 September 2014
Significant gain on sale following 14 years of development

- On 30 September 2014, Infratil completed the sale of 100% of the IEA Group to Snowy Hydro Limited for a net sales price of $671.4m
- Net gain on sale of $337.7m recognised within discontinued operations

Reported gain on IEA Group Sale	$Millions
Gross sales proceeds	725.8
less: sales costs	(9.9)
less: incentive fee paid to Morrison & Co	(44.5)
Net sales proceeds	**671.4**
Carrying value of net assets sold	(325.9)
Realised FX and derivative losses	(7.8)
Net gain on sale	**337.7**

Economic value gain	$Millions	$ per share
IFT carrying value at 31 March 2014	271.9	0.48
Increase in NAV during period	61.8	0.11
Net sales proceeds	671.4	1.19
Net gain on sale	**337.7**	**0.60**
Total gain during period	399.5	0.71

Acquisition of RetireAustralia on 31 December 2014
High quality access point into an attractive sector with strong trends

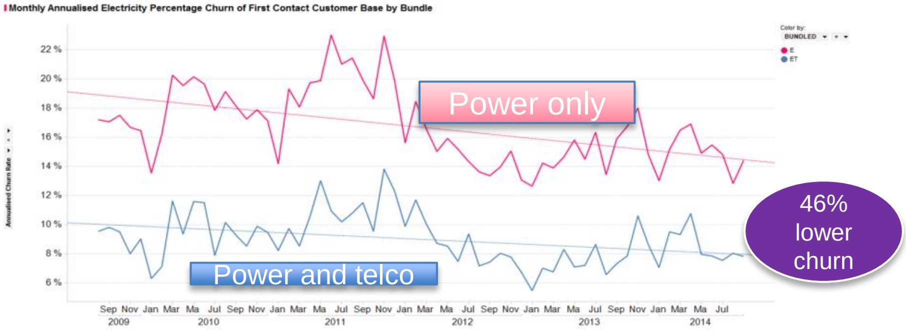
- Infratil and NZ Superannuation Fund acquired a 50:50 interest in RetireAustralia (RA) for an equity value of $406.0m and enterprise value of A$616.7m
  - Infratil 50% share of RetireAustralia NZD$219.1m (including transaction costs)
  - Purchase price represents 1.0x NTA
- RA operates 28 retirement villages across NSW, Queensland and South Australia comprising 3,721 villas and apartments
- Current brownfield development pipeline of 500+ villas and apartments & greenfield opportunities available
- First quarter performance in line with expectations, with operating cash flow of A$11.2m and underlying EBIT of A$6.6m
  - Infratil 3 month share of associate earnings includes $7.1m of transaction costs expensed

Australasian Energy - Trustpower
Growth Agenda delivering despite tough conditions

Hume Hydro Station NSW

- EBITDAF increased 19% over prior period
  - Commissioning of Snowtown Stage 2 (October 2014)
  - Increased retail margin from multi-product growth strategy
  - Continued low NZ generation and softer wholesale prices
  - Continued strengthening of NZD vs AUD
- Revaluation of generation assets up nearly $400m;
  - Snowtown Stage 2 up AUD$300m validating the attractiveness of the investment
- Acquired hydro and wind assets of Green State Power in NSW (106.5MW)
  - Gain on acquisition of $25m following revaluation to fair value

Australasian Energy - Trustpower
Growing in a competitive retail market



- Trustpower churn rates significantly lower than industry
  - 14% vs total market 19%
- Significant increase in expenditure on capability to differentiate future offering
  - True multi-product offering (Electricity, Gas, LPG, Broadband and Telephone)
  - Continuation of metro market campaigns supported by refreshed multi-media advertising
- Multi-product offering showing signs of success
  - Electricity connections up 8% to 242,000
  - Gas connections up 74% to 24,000
  - Telecoms connections up 22% to 38,000
  - Number of customers with 2 or more products up 37% to 52,000

Australasian Energy - Trustpower
Snowtown II – construction update and economic impact

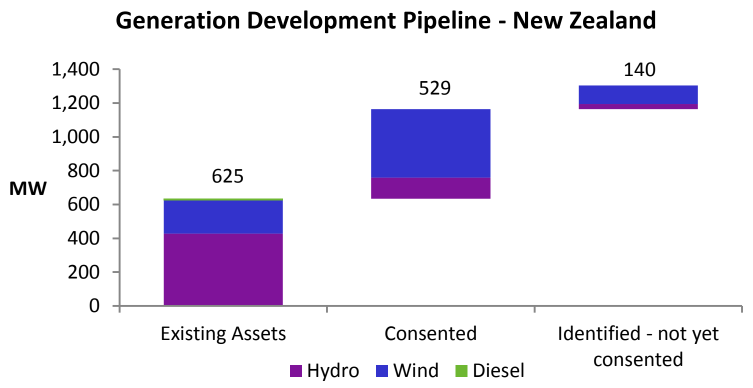
Commissioned October 2014:

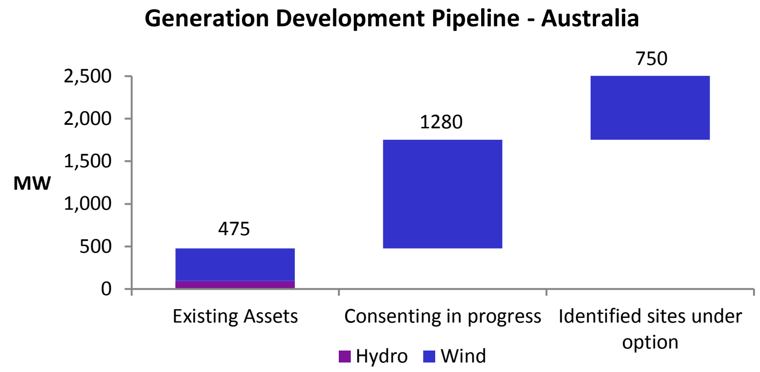
- Construction completed two months ahead of schedule
- A$16m under budget
- A$65m of EBITDAF contribution in FY15 will increase in FY16 with full year of production to around A$77m

Key Facts:

- 270MW split into two separate wind farms
- A$430m capital cost
- Long term O&M contract with Siemens
- 15 year PPA with Origin Energy

Australasian Energy - Trustpower
Significant generation development options





NZ Hydro, Wind and Irrigation

- Near term oversupply headwind to investment
- Maintain options as long as possible

Australian Wind

- 20% by 2020 renewable energy target largely met by wind
- PPAs mitigate risk
- Progressing Development Applications in SA, VIC and NSW with view that Government review of LRET will continue to support further wind development

NZ Fuel Distribution – Z Energy
10% growth in replacement cost operating EBITDAF

- 10% growth in Replacement Cost EBITDAF to $251.2m
- 2nd half refining margin recovery underpins strong result
- Strong performance by marketing business through margin and volume expansion
- Strategy projects support momentum:
  - 3 new sites and 7 rebuilds complete, with 3 further new sites to open in the 2Q of FY16
  - Refined product procurement savings to deliver $8.0m p.a.
  - Inland diesel portfolio management
  - Evolution of Tier 1 offering and extension of Tier 2 offerings
- Retail and commercial customer satisfaction metrics continue to lead the market
  - Corporate reputation ranking of #2 in New Zealand
- Final dividend of 16.5cps to be paid 3 June 2015

NZ Airports – Wellington Airport

EBITDAF reflects near-term aeronautical price reset

- EBITDAF -4.6% to $82m, total PAX 5.46m
  - Reduction due to aeronautical price reset in FY15 at lower charges
  - Good international PAX growth +2.9%, due to growth in Melbourne and introduction of new route to Coolangatta. Fiji services to commence in June 2015 with 15% increase in international capacity forecast
  - Domestic PAX were flat on the previous year due to domestic airline capacity changes
- $22m of capex invested during the year including start of the main terminal extension and airfield expenditure
  - Future potential spend includes a multi-storey car park, hotel, retail park expansion, international terminal extension and noise mitigation programme for neighbouring residents
- Revenue and EBITDAF is expected to increase as PAX numbers grow, scheduled increases in aeronautical charges for FY16 to FY19 take effect and new investment is undertaken

NZ Public Transport – NZ Bus
Strong pax growth offset by yield changes and restructuring costs

- Total passengers of 60m, 4.2% growth over the prior year
  - Patronage growth results from focus on timetabling, fleet investment and customer service
  - Strong growth in Auckland pax (+6%), weaker Wellington (+0.8%)
- EBITDAF of $34.2m, -14%
  - Revenue +3%, reflecting patronage growth offset by a decline in fare yield in Auckland
  - Expenses +7%, including +$3m spend on operations & maintenance productivity initiatives to improve future efficiency and prepare the business for upcoming tendering
  - $2m provision for the decommissioning of Trolley Buses in Wellington in July 2017
- On-going commitment to HSE & zero harm workplace
  - Launched new health & safety management system & retained tertiary status (highest level) under the ACCPP
  - Positive industrial relations environment

NZ Public Transport – NZ Bus

Moderate fleet investment – well advanced in new contract planning

- Moderate new fleet investment:
  - 9 Alexander Dennis buses delivered in FY15
  - Continuation of fleet repower and refurbishment modernisation projects which have scheduled completion dates early FY16
  - Investigating opportunity to introduce new double decker fleet on key Auckland corridors to reduce congestion
- Contracting market update (Public Transport Operating Model)
  - Draft PTOM contracts for Auckland are with NZTA for final approval, which is expected in the next few weeks
  - South Auckland tenders are expected to follow shortly thereafter, with the remainder of Auckland re-contracted over next 12-18 months
  - New contracts will include combination of tenders and negotiated routes, proportions based on commerciality ratios
  - Auckland NZ Bus 50/50 tendered/negotiated kms
  - Wellington tendered/negotiated kms & replacement Trolley fleet still to be agreed with Greater Wellington Regional Council and tenders are expected later in calendar year

Australia Retirement Living - RetireAustralia

RetireAustralia transition phase into the IFT portfolio

- First quarter results on plan (3 months to 31 March 2015)
  - A$6.6m underlying cash EBIT
  - Operating cash flow of $11.2m (pre-finance and acquisition costs)
  - On track to meet acquisition forecast of A$35m - A$40m for the year to 30 June 2015
  - Senior debt refinance terms agreed – extended maturity and improved pricing
- Governance and organisation change
  - Recently appointed 2 new non-executive directors with care and development experience
  - CEO search underway, CFO in acting CEO role
- Strong brownfield new sales momentum
  - Expect to achieve 80+ settlements and A$16m+ development margin for the year to 30 June

NZ Retirement Living - Metlifecare

Metlifecare showing strong profit growth and development

- $16m equity-accounted contribution to Infratil
  - Underlying profit up 70% to $26.0m (HY2014)
  - Revaluation gains $32.3m and realised gains of $17.5m (HY2014)
  - Infratil gain of $51.7m on purchase price
- Development pipeline of ~1,750 units and care beds
  - Targeting sustainable development rate of +200 units & beds p.a.
  - Greenfield and brownfield construction underway across North Island – over 300 units & beds currently under construction & over 500 units and care beds forecast to be delivered in FY16 and FY17
  - Resource Consent obtained for brownfield developments at The Avenues (BoP) and Somervale (Mt Maunganui)
  - 2 new Auckland proposed development sites - land under conditional contracts (Manukau golf course and Red Beach)

Property – Infratil Infrastructure Property
Working in partnership with local government

- Owner and manager of 7 bus depots and investment properties
- Developing a new NZ Bus maintenance facility in Thorndon, Wellington
- Developing designs for reconfiguration of the Kilbirnie (Wellington) and Halsey St (central Auckland) depots for NZ Bus operations and maintenance and to optimise site use
- IIP future focus:
  - Development of assets to maximise value
  - Close working relationships with Central and Local Government primarily based around new infrastructure projects

Capital Management

Balancing capital returns with investment capacity

- Goal is to maintain financial flexibility in any future capital structure while we remain positive on investment prospects
- Infrastructure and capital markets are currently positive, although we remain cautious given current pricing and the potential for significant volatility as developed markets face the end of QE
- Advantageous to have committed capital in large private market processes and at times of market dislocation
- Special dividend preferred at the full year to reduce imputation credit balance
- Share buybacks remain a longer-term consideration to add shareholder value

Capital Management (cont'd)
Developments in confirmed areas of interest

- Infratil is likely to build on the core investment platforms established for renewables and the retirement sector
  - Strong top-down themes and tail-winds
  - Good value is available as market disruptions occur (e.g. Australian renewables post the RET review)
  - Possible that both models can be extended beyond traditional Australasian markets in the long-term
- Identification of additional scalable platforms will be important
  - Recognition that future platforms are likely to originate from long-term relationships with industry participants and involve co-investment
  - Search for controlled development risk may require consideration of new geographies and sectors
- A number of near-term accretive opportunities are under development

Group Capital Expenditure and Investment

Lower capex profile compared to recent years

Capex ($Millions)	31 March 2015	FY16 Outlook
Trustpower	199.8	**40-50**
Wellington Airport	21.9	**90-100**
Public Transport	15.3	**7-10**
Metlifecare	1.6	**-**
RetireAustralia	219.2	**-**
Australian PPP	32.0	**8-12**
Other	17.8	**15-18**
Total	**507.6**	**160-190**

Capital expenditure excludes asset level capex of Z Energy, RetireAustralia and Metlifecare

- **Trustpower** – Snowtown II and GSP acquisition dominated FY15. No major FY16 capex planned, forecast includes head office fit out and seismic strengthening at generation schemes
- **Wellington Airport** - Terminal expansion, airfield engineering and multi-level car park
- **NZ Bus** – includes fleet renewals and upgrades
- **Australian PPP** - Investment contributions for the new Royal Adelaide Hospital development via ASIP
- **Other** - Investment to design bus depot upgrades and digital billboard offering
- Forecast assumes no changes in the portfolio

2015/16 Outlook

Significant growth forecast from continuing operations

$Millions	FY 2015 Actual	FY 2016 Outlook[1]
EBITDAF[2] – continuing operations	453.4	**520 – 550**
Net interest	178.2	**165 – 175**
Operating cash flow	235.6	**270 – 300**
Depreciation and amortisation	149.7	**160 – 170**

2015/16 EBITDAF range $520m - $550m:

- TPW increase due to full year contribution from Snowtown II and Green State Power, and growth in retail customer base
- WIAL increase in aeronautical revenue in line with pricing consultation and anticipated passenger growth
- Gains across other businesses reflect a full year contribution from RetireAustralia and improvement in operating margins in other businesses

1) The 2016 guidance is based on management's current expectations and assumptions about the trading performance of Infratil's investments and is subject to risks and uncertainties, is dependent on prevailing market conditions continuing throughout the outlook period and assumes no other major changes in the composition of the Infratil investment portfolio. Trading performance and market conditions can and will change, which may materially affect the guidance set out above.
2) EBITDAF is a non-GAAP measure of financial performance and represents consolidated net earnings before adjustments for interest, tax, depreciation, amortisation, financial derivative movements, revaluations, non-operating gains or losses on the sales of investments, and includes adjustments to reflect the Z replacement cost of inventory. EBITDAF is a non-GAAP measure of financial performance, presented to show management's view of the underlying business performance.

Infratil Group – Summary
Origination focus supported by performance and access to capital

- Significant capital investment and recycling is positioning the Infratil portfolio for the next stage of growth and provides options and flexibility
- Growing confidence in origination and uncertainty in markets support the case for capital retention and financial flexibility
  - A number of near term value accretive investment opportunities are underway
- Key value drivers for 2015/16 financial year;
  - Further traction of the NZ retail multi-service offering and international development programme in Trustpower
  - Execute the capital expenditure plans in Wellington Airport
  - Assess future long-term returns available from NZ public transport with the Public Transport Operating Model
  - Allocate further capital to early stage and/or higher growth development exposures in favoured sectors (e.g. renewables, retirement, water and irrigation, telco infrastructure)
  - Regulatory clarity in Australia following confirmation of the RET review and the new 33,000 GWh target for 2020
- Cash flow growth and outlook supports continued growth in dividends per share
- Review of position for further capital returns in FY16 following developments and progress with internal and external origination

For more information:

www.infratil.com

Appendix I

Consolidated Profit & Loss

Group Financial Performance ($Millions)	FY March 2015	FY March 2014
Operating revenue	1,668.9	1,553.5
Operating expenditure	(1,215.5)	(1,116.1)
EBITDAF (continuing activities)	**453.4**	**437.4**
Net interest	(178.2)	(180.1)
Depreciation & amortisation	(149.7)	(126.2)
Operating earnings (continuing activities)	**125.5**	**131.1**
Net gain on foreign exchange and financial derivatives	(36.3)	70.7
Net investment realisations/(impairments)	29.5	189.1
Fair value gain on acquisition of Metlifecare	-	33.1
Tax	(19.6)	(58.8)
Discontinued operations (1)	367.2	(90.6)
Net Surplus after tax	**466.3**	**274.6**
Minority interests	(82.8)	(75.7)
Net Parent Surplus	**383.5**	**198.9**

(1) Discontinued operations relate to the IEA Group and PayGlobal which were sold in FY15 and the European Airport investment which was sold in FY14

Appendix II

Adjusted Earnings Reconciliation

Year Ended 31 March ($Millions)	March 2015	March 2014	Variance	% Change
Net Profit after Tax – reported	**466.3**	**274.6**	**191.7**	**69.8%**
Net (gain)/loss on foreign exchange and derivatives (1)	36.3	(70.7)		
Net investments revals, realisations and impairments	(29.5)	(222.2)		
Tax effect of changes(2)	(1.5)	30.3		
Add back result from discontinued operations	(367.2)	90.6		
Equity Earnings Adjustments (after tax)				
Z Energy equity earnings (HCA to RC adjust) (3)	22.8	1.5		
Reverse RetireAustralia Acquisition Costs	7.8	-		
Net Profit after Tax – adjusted	**135.0**	**104.1**	**30.9**	**29.7%**

(1) Mark to market movements on derivatives reflect the market value of interest rate, foreign exchange and energy hedges at a reporting date and are subject to the market prices of the respective hedges.

(2) The tax effect reflects the tax change as a result of removing the other adjustments.

(3) Z Energy reports its earnings on a historic cost basis, which may be volatile depending on how much the price of oil fluctuates.

(4) Acquisition costs of $7.2 million were incurred on the acquisition of RetireAustralia and are one-off and non-operational in nature.

INFRATIL LIMITED

RESULTS FOR THE YEAR ENDED 31 MARCH 2015

19 MAY 2015

SUMMARY

Net parent surplus was $384 million, up from $199 million last year (68 cents per share up from 34 cents in the prior year).

Consolidated EBITDAF [1] from continuing operations was $453 million, up 4% on last year's $437 million. Adjusted consolidated EBITDAF[2] including discontinued operations was $526 million; up 7% on last year's $493 million (these figures include the Z Energy contribution on a replacement cost basis):

- $53 million increase in Trustpower EBITDAF (primarily due to commissioning of the Snowtown wind farm and contribution from the newly acquired Green State Power business in New South Wales).
- $10 million decline in Z Energy contribution (following Infratil's reduction of its 50% stake down to 20% in Z's initial public offering in August 2013).
- $12 million reduction from other businesses sold during the year.
- Satisfactory contributions from Infratil's other businesses.

Investments totalled $508 million ($616 million the previous year):

- $219 million acquisition of a 50% interest in RetireAustralia in December 2014.
- Trustpower invested $200 million, mainly to complete the Snowtown II wind farm in South Australia and to acquire hydro and wind assets in NSW.
- $32 million investment in Australia Social Infrastructure Partners (ASIP).
- $57 million investment by other subsidiaries in their own activities.

Divestment of Lumo/Infratil Energy Australia and interests in PayGlobal and New Lynn property raised $700 million and provided a gain on book value of $345 million.

Net debt of Infratil and wholly owned subsidiaries fell to $761 million from $1,062 million at the start of the period (representing 30% of total capitalisation at balance date, down from 46% in 2014).

Capital management initiatives totalled $120 million:

- $84 million (15.0 cents per share) fully-imputed special dividend paid in December 2014.
- $36 million (6.4 cents per share) fully-imputed special dividend to be paid in June 2015 in conjunction with the ordinary final dividend.

The final dividend of 8 cents per share (7 cents last year) fully-imputed is to be paid on 15 June 2015 to shareholders of record on 5 June 2015.

1. EBITDAF is a non-GAAP measure which shows management's view of underlying business performance. It shows operating earnings before interest, tax, depreciation and amortisation and before making any adjustments for fair value movements, realisations and impairments.
2. Adjusted consolidated EBITDAF includes the contributions from businesses sold over the period and gives Z Energy's contribution on a replacement cost rather than historic cost basis. For FY2015 it also excludes Infratil's share of the costs associated with the acquisition of RetireAustralia.

COMMENTARY

By any measure over the year ended 31 March 2015 Infratil was successful in creating value for its shareholders and in positioning to continue to do so.

Adjusted consolidated EBITDAF was $526 million, up 7% on last year's $493 million. Net surplus was $384 million compared with $199 million and the adjusted net surplus[1] was $79 million from $39 million. $700 million was raised through divestments.

$289 million of internal investment was undertaken and a 50% stake in RetireAustralia was acquired for $219 million, expanding Infratil's interest in this sector at a good entry price.

The success of the last year has created its own challenges. Normally Infratil relies on debt to provide approximately 50% of its capital. With debt now providing closer to 30% of funding there is substantial capacity for further capital management or new investments.

We believe that our shareholders would rather have the capital deployed within Infratil, but we are conscious that if new investments are not executed in a reasonable time frame then some capital should be returned. Illustrating this balanced and incremental approach, for the year under review $120 million has been returned to shareholders or earmarked for return via special dividends, while the group invested $508 million.

Although we are confident about future investments, inevitably there is uncertainty of timing and completion risks are not insignificant. To mitigate this, management is taking all practical steps to set out the Company's approach and criteria, most recently at the Infratil Investor Day held on 31 March (all presentations are on Infratil's website).

The overriding theme of Infratil's allocation of capital is discipline. That means making sure than any new investment is undertaken in the expectation that it will still be part of Infratil in the long-term. That is a wonderful incentive to think deeply about all the "what could go wrong" possibilities.

Good value investments can still be made with a patient and long-term approach. Over the last two years approximately $750 million has been invested in transport and energy facilities and $400 million in retirement facilities.

We are however in an environment which is distorted by cheap money and some asset values reflect very aggressive rate of return expectations with little room for error. While some Infratil shareholders will naturally harbour concerns about overpayment, the best proof that this is unlikely is Infratil's track record. Over the 21 years the Company has existed it has delivered an 18.4%pa. after tax compound return to shareholders; which we understand makes Infratil the best performed share on the NZSE/NZX over that period. We can also point to the 14 year project that was Infratil Energy Australia as a case study of discipline and patience (it is fully explained in the 30 September 2014 Interim Report), attributes also evident in the $2,285 million invested and $1,138 million released by divestment over the last five years.

1. The calculation of adjusted net surplus is provided on page 6.

Of the $2,285 million invested, over 80% was internal; terminal facilities at Wellington Airport, 400 new buses for Auckland and Wellington, Trustpower's windfarms and so on. However, it is never forgotten that even "captive opportunities" are not fait accomplis. Trustpower was able to undertake its Snowtown wind farm developments because of exceptional delivery of its core functions. Similarly Wellington Airport's projects to expand its terminal and passenger services rest on a track record of safe and efficient operation and its management's successes in working with airlines to deliver expanded capacity and hence passenger throughput.

While the salient events of the last financial year involved investments and divestments, underpinning everything are well-managed businesses.

COMMUNITY

Good relations in the communities within which we operate is a hallmark of the Infratil approach. Most of the facilities and services we provide are crucial to their users and their communities; energy to homes and businesses, retirement accommodation and care to the elderly, a key connection between central New Zealand and the rest of the world, transport fuel, public transport in Auckland and Wellington, and social infrastructure.

Our commitment to our customers and communities is not just that we will seek to provide efficient and reliable facilities at a reasonable cost, it is also that we should anticipate what those customers and communities want. We aim to provide the Airport Wellingtonians want, the bus service that Aucklanders want and so on.

The trust generated by good community relations is illustrated by the cost-sharing joint venture between Wellington City Council and Wellington Airport to obtain consents for the extension of the Airport's runway.

REGULATION & GOVERNMENT

In the regulatory sphere the main event of the period was the reduced threat of a major restructuring of the New Zealand electricity sector given the result of the last General Election.

In contrast, the protracted political process of the Australian Government over the renewable generation targets has delayed Trustpower's plans to expand its wind power capacity in that country.

A more intriguing area of potential is the steps being taken by Christchurch City Council to progress the sale of shares in its infrastructure businesses. In fact across New Zealand councils are facing pressure to invest in better facilities and some are coming to the realisation that recycling capital (selling one asset to buy another) should at least be contemplated along with the alternatives of raising charges or rates.

SHAREHOLDERS

For Financial Year 2015, Infratil paid a 4.5 cents per share interim dividend in December 2014 and will pay an 8 cents per share final dividend on 15 June 2015 to shareholders of record on 5 June 2015 (3.75 cps and 7.0 cps respectively last year). The 16% increase is consistent with Infratil's objective of providing a steadily rising dividend.

In addition to the ordinary dividends Infratil paid a 15 cents per share special dividend in December 2014 and will pay a further 6.4 cents per share special in June along with the ordinary final.

The special dividends (which total $120 million) reflect Infratil's current low gearing, the availability of imputation credits and comfort with access to capital for immediate investment plans.

FINANCIAL YEAR 2016

EBITDAF is forecast to increase by between 7% and 14% due mainly to past investment. There will be the full year contribution from Trustpower's Australian generation which was commissioned or acquired last year and Trustpower's New Zealand retailing base is also expected to continue to grow. RetireAustralia will be making a full year contribution, Wellington Airport's earnings are expected to rise due to increased traffic and aeronautical charges, and most of Infratil's other businesses are also expected to increase their contributions.

	Actual FY2015	Guidance 2016
EBITDAF	$484 million*	$520-550 million
Operating cash flows	$236 million	$270-300 million

* EBITDAF from continuing operations with Z Energy's contribution measured on a replacement cost basis and excluding $7.8 million of landholder duty and other acquisition costs associated with the purchase of the 50% interest in RetireAustralia.

These forecasts assume that business conditions remain consistent with those currently being observed and that no material investments, divestments or capital management initiatives occur beyond those already announced. However, it should be noted that it is reasonable to expect that some combination of these will occur over the course of the fiscal year.

INFRATIL'S FINANCIAL PERFORMANCE

Consolidated Results

Year Ended 31 March ($Millions)	2015	2014
EBITDAF (continuing)	$453.4	$437.4
Depreciation & amortisation	($149.7)	($126.2)
Net interest	($178.2)	($180.1)
Tax expense	($19.6)	($58.8)
Net gain on Z sale	-	$182.5
Revaluations [1]	($6.8)	$110.4
Discontinued operations	$367.2	($90.6)
Net profit after tax	$466.3	$274.6
Minorities	($82.8)	($75.7)
Net parent surplus	$383.5	$198.9

1. Revaluation of energy, interest rate and FX derivatives, and net investment realisations/ (impairments).

For FY2015 the average NZ$/A$ exchange rate was 0.9259. (0.8809 in FY2014).

EBITDAF

Year Ended 31 March ($Millions)	2015	2014
Trustpower	$330.7	$277.4
Wellington Airport	$82.1	$86.0
NZ Bus	$34.2	$40.0
Perth Energy	$14.1	$16.8
Z Energy [1]	$1.4	$32.7
Metlifecare	$16.3	$5.0
RetireAustralia [2]	($6.2)	-
Parent/Other	($19.2)	($20.5)
EBITDAF (continuing)	$453.4	$437.4
Discontinued operations	$42.0	$53.6
Total EBITDAF	**$495.4**	**$491.0**

1. Z Energy's contribution is shown on a historic cost basis. On a replacement cost basis Z Energy would have contributed $24.2m in 2015 and $34.2m in the prior year.
2. In acquiring 50% of RetireAustralia Infratil share of landholder duty and other acquisition costs was $7.8 million. Excluding this one off cost RetireAustralia's EBITDAF was A$6.6 million and its NPAT contribution to Infratil would have been A$1.5 million (NZ$1.6 million).

Trustpower's $53.3 million increase reflected part year contributions from its Snowtown II wind farm and from the generation acquired from the NSW government. Z Energy's lower contribution reflected Infratil reducing its shareholding from 50% to 20% in FY2014 and Z Energy reporting lower earnings on an historic cost basis.

Consolidated Operating Cash Flow

Year Ended 31 March ($Millions)	2015	2014
EBITDAF *(continuing operations)*	$453.4	$437.4
Net interest	($167.4)	($167.5)
Tax paid	($57.0)	($42.7)
Working capital/other	($7.1)	$111.8
Discontinued operations	$13.7	$68.2
Operating cash flow	**$235.6**	**$407.2**

Last year's working capital movements included $107 million of pre-IPO distributions received from Z Energy and a $38 million gain from foreign exchange contracts.

Adjusted Net Surplus: Year Ended 31 March 2015

Infratil's adjusted net surplus is the reported net surplus before changes in the value of derivatives, revaluations and realisations and minority interests, adjusted to reflect Z Energy's contribution on a replacement cost basis and RetireAustralia's contribution before acquisition costs. Adjusted net surplus was $78.5 million up from $39.1 million the prior year. As shown in the following tables, the 101% increase reflects several factors, with the main ones being Trustpower's increased NPAT and lower interest costs incurred by the Infratil parent company.

2015 $Millions	EBITDAF	D&A	Interest	Tax	Total	Ownership	Infratil Share
Trustpower	330.7	(98.2)	(78.5)	(20.7)	133.3	51%	68.0
Wellington Airport	82.1	(16.2)	(17.8)	(9.5)	38.6	66%	25.5
NZ Bus	34.2	(26.4)	(1.0)	3.6	10.4	100%	10.4
Perth Energy	14.1	(5.9)	(4.4)	(1.1)	2.7	80%	2.2
Z Energy	24.2	-	-	-	24.2	20%	24.2
Metlifecare	16.3	-	-	-	16.3	20%	16.3
RetireAustralia	1.6	-	-	-	1.6	50%	1.6
Parent/Other	(19.2)	(3.0)	(76.5)	8.1	(90.6)	100%	(90.6)
EBITDAF (continuing)	**484.0**	**(149.7)**	**(178.2)**	**(19.6)**	**136.5**		**57.5**
Discontinued operations							
IEA/Lumo	40.8	(9.4)	(0.3)	(10.8)	20.3	100%	20.3
PayGlobal	1.2	(0.1)	0.1	-	1.2	54%	0.6
Total	**526.0**	**(159.2)**	**(178.4)**	**(30.4)**	**158.0**		**78.5**

Adjusted Net Surplus: Year Ended 31 March 2014

2014 $Millions	EBITDAF	D&A	Interest	Tax	Total	Ownership	Infratil Share
Trustpower	277.4	(72.0)	(61.7)	(37.8)	105.9	51%	54.0
Wellington Airport	86.0	(15.8)	(18.7)	(12.5)	39.1	66%	25.8
NZ Bus	40.0	(27.2)	(0.3)	(1.3)	11.1	100%	11.1
Perth Energy	16.8	(7.1)	(5.8)	(1.0)	2.8	80%	2.3
Z Energy	34.2	-	-	-	34.2	20%	34.2
Metlifecare	5.0	-	-	-	5.0	20%	5.0
Parent/Other	(20.5)	(4.1)	(93.5)	(6.2)	(124.3)	100%	(124.3)
EBITDAF (continuing)	**438.9**	**(126.2)**	**(180.1)**	**(58.8)**	**73.8**		**8.1**
Discontinued operations							
IEA/Lumo	61.2	(25.3)	(1.0)	(3.9)	31.0	100%	31.0
PayGlobal	1.7	(0.3)	0.1	(0.5)	1.0	54%	0.5
European Airports	(9.3)	(2.5)	(0.1)	11.3	(0.6)	100%	(0.6)
Total	**492.5**	**(154.3)**	**(181.1)**	**(51.9)**	**105.3**		**39.1**

Reconciliation of Reported Net Surplus and Adjusted Net Surplus before Minority Interests

Year ended 31 March $Millions	2015	2014
Adjusted Net Surplus before minority interests above	**$158.0**	**$105.3**
Z Energy Replacement Cost Adjustment	($22.8)	($1.5)
RetireAustralia Acquisition Cost Adjustment	($7.8)	-
- Net (loss)/gain on foreign exchange and derivatives	($36.3)	$70.7
- Net gain on Z IPO	-	$182.5
- Net gain on acquisition of Metlifecare	-	$33.1
- Net realisations, revaluations and (impairments)	$29.5	$6.6
Net realisations, revaluations, gain/(loss) on sale of discontinued operations	$345.7	($122.0)
Reported Net surplus for the year	**$466.3**	**$274.6**
Less - Minority Interests	($82.8)	($75.7)
Reported Net surplus after Minority Interests	**$383.5**	**$198.9**

Infratil's Assets

$Millions	31 March 2015	31 March 2014
Trustpower	$1,270.0	$1,036.7
Wellington Airport	$349.9	$351.5
NZ Bus	$285.8	$303.1
Perth Energy	$76.7	$76.8
Z Energy	$410.4	$312.0
Metlifecare	$199.6	$170.6
Retire Australia	$208.6	-
Infratil Energy Australia	-	$271.9
Other	$86.5	$78.6
	$2,887.5	**$2,601.2**

Values exclude 100% subsidiaries' cash balances and deferred tax where CGT does not apply.

Over the period, Infratil Energy Australia was sold for a net $671 million and assets previously held under "Other" with a 31 March value of $19 million were sold for $28 million ($26 million after tax). These assets included a property in New Lynn which had been developed in partnership with the Auckland Council and a shareholding in PayGlobal.

Changes to the values of Trustpower, Metlifecare and Z Energy are due to changes in their share prices on the NZX. $1.6 million was also invested in Metlifecare through the reinvestment of dividends. Changes in the value of Wellington Airport and NZ Bus reflect the difference between the companies' net surplus over the period and payments to shareholders.

"Other" now includes iSite, Snapper, Infratil Infrastructure Property and ASIP.

For 31 March 2015 a NZ$/A$ exchange rate of 0.9785 was used (0.9364 for 2014).

Funding & Bank Facilities

$Millions	31 March 2015	31 March 2014
Net (cash)/debt 100% subsidiaries	($228.4)	$72.7
Dated bonds	$754.3	$754.3
Perpetual bonds	$234.9	$234.9
Market value equity	$1,786.8	$1,269.3
Total capital	**$2,547.6**	**$2,331.2**
Net Dated debt / capital	20.6%	35.5%
Net Debt / capital	29.9%	45.6%

Over the period, bank and vendor funding of Infratil and 100% subsidiaries reduced from a net debt position of $72.7 million on 31 March 2014 to a net cash position of $228.4 million on 31 March 2015 (including $308.6 million of cash).

As at 31 March 2015 Infratil and 100% subsidiaries had $356.2 million of committed bank funding facilities of which $276 million was undrawn. Over the year bank commitments were reduced from $784 million to reduce the cost of carrying excess facilities.

Capital Expenditure and Investment

Year Ended 31 March ($Millions)	2015	2014
Trustpower	$200.0	$349.7
Wellington Airport	$21.9	$20.3
NZ Bus	$15.3	$68.1
Perth Energy	$0.1	$0.1
Z Energy	-	-
Metlifecare	$1.6	$147.9
Retire Australia	$219.2	-
Infratil Energy Australia	$16.2	$22.0
ASIP	$32.0	-
Parent/Other	$1.5	$8.0
Total	**$507.6**	**$616.1**

Infratil's deployment of further capital is either through subsidiaries, such as Trustpower building the Snowtown wind farm, or by direct acquisition, such as the purchase of 50% of RetireAustralia. The investments related to Metlifecare and RetireAustralia are solely Infratil's purchase of shares in the relevant companies. No internal investment activity by those two companies or Z Energy is included in the table.

TRUSTPOWER (51% INFRATIL OWNERSHIP)

Trustpower delivered a 19% increase in EBITDAF and a13% uplift in underlying net earnings. The main source of the increase was the commissioning of the Snowtown II windfarm and the purchase of 105 MW of additional Australian hydro and wind generation assets from the NSW government. Good retail growth in New Zealand also contributed. On the negative, generation on both sides of the Tasman was 8% below long term expected average output, largely due to a lack of wind.

Now that it has been commissioned, Snowtown II has been independently valued at A$730 million, A$309 million above cost. The other generation assets that were acquired were also independently valued at A$23 million more than their A$72 million purchase cost.

Trustpower has exceptional talent in the structuring and execution of wind projects and in this field small nuances can make a substantial difference to the cost of plant, the amount of generation derived, and the revenue achieved. The excellent price paid for the generation assets acquired from the NSW government reflects the reality that few companies in Australia have Trustpower's expertise in managing remote, small scale wind and hydro generation.

Naturally it is hoped that further similar opportunities arise, but one impediment to this is the Australian Government review of its renewable energy targets. Originally the goal was to get to 41,000GWh of renewable generation by 2020 (about the same level as New Zealand and about 20% of Australia's total) and 17,000GWh has been commissioned. The target has now been reduced to 33,000GWh but this has not yet been confirmed by legislation. When that occurs it is hoped the Trustpower will be successful in developing additional windfarms as it has three sites in South Australia, Victoria and New South Wales at various stages of approval with a total potential of 890MW (Snowtown II installed capacity is 270MW).

Trustpower increased its New Zealand electricity sales by 12% in volume to 8% more customers. Trustpower has also achieved exceptional success with its offer of a bundle of services so that a customer can choose any of electricity, gas, internet and telephone services. 52,000 of Trustpower's customers now take more than one service, up from 38,000 a year prior.

Year Ended 31 March	**2015**	**2014**
NZ output sold	3,934GWh	3,512GWh
NZ generation	2,216GWh	2,209GWh
Australian generation	1,465GWh	536GWh
Energy accounts	266,000	238,000
Telecommunication accounts	38,000	31,000
Av. NZ generation spot price	7.1c/kwh	6.7c/kwh
EBITDAF	**$330.7m**	**$277.4m**
Investment spend	$200.0m	$349.7m
Infratil cash income	$63.9m	$63.9m
Infratil's holding value [1]	$1,270.0m	$1,036.7m

1. NZX market value at period end

WELLINGTON AIRPORT (66% INFRATIL OWNERSHIP)

Wellington Airport saw progress on a number of initiatives that will have significant consequences over the next few years.

$22 million was invested in the first stages of a $250 million upgrade and expansion of all aspects of the passenger experience. Over the next four years plans are underway that will result in a marked expansion of the domestic terminal and international terminal arrivals area, and the construction of a weather-proof multilevel car park. It is hoped that a hotel will also be built to directly connect into the terminals. The need for the expansion was highlighted on 27 March when the Airport experienced its busiest ever day when over 20,000 passengers arrived or departed.

Three new international air services were confirmed. In late FY2015 Jetstar commenced flying between Wellington and Coolangatta and Melbourne, and Fiji Airways is to start services with Nadi (with on-links to Los Angeles) in June 2015. In total these services will expand the Airport's international capacity by 16%. Historically the growth in passenger numbers on any route has been strongly influenced by new entrant airlines. Inevitably they have a different offer than incumbents and seek out different potential travellers. They also stimulate incumbents to perform and this is already happening with these new services.

The domestic market is also changing as Air New Zealand changes it aircraft fleet. They are introducing bigger aircraft onto the more travelled routes, with a cessation of services to smaller centres. Markets dislike a vacuum and AirNZ's withdrawal has sparked the expansion of a number of second tier carriers that previously were not willing to compete with AirNZ.

On the regulatory front the Commerce Commission affirmed that the prices set by Wellington Airport for the period June 2014 to March 2019 are acceptable according to their calculations. The annual disclosures required by the Commission of the three main airports make interesting reading as they now cover a reasonable period having commenced in 2011. Wellington Airport is rated very highly for its quality of service and is by far the most efficient (measured as cost per passenger).

The most attention grabbing development of the year was agreement between the Airport and the Wellington City Council to jointly fund a review of an extension of the runway and the application for resource consents to allow construction to occur. The project is covered extensively in the Infratil September 2014 Update, and is not without its detractors, including airlines that don't favour Wellington gaining long haul services because they are concerned about the effect on services that now use Auckland Airport.

Year Ended 31 March	2015	2014
Passengers Domestic	4,682,086	4,683,931
Passengers International	775,193	753,355
Aeronautical income	$64.5m	$67.9m
Passenger services income	$34.1m	$33.7m
Property/other	$9.7m	$9.2m
Operating costs	($26.2m)	($24.9m)
EBITDAF	**$82.1m**	**$86.0m**
Investment spending	$21.9m	$20.3m
Infratil cash income	$38.2m	$35.3m
Infratil's holding value [1]	$349.9m	$351.5m

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

NZ BUS (100% INFRATIL OWNERSHIP)

NZ Bus experienced strong 6% patronage growth in Auckland and a more modest 1% increase in Wellington/Hutt Valley.

Auckland is showing the benefit of the network wide investment and focus of Auckland Transport. While NZ Bus has played its part with better buses, driver training and improved systems, Auckland Transport deserves credit for being motivated and resourced to increase patronage by improving Auckland's public transport network.

What is also apparent from the NZ Bus figures is that bus public transport could do much more for much less than the alternatives that are being progressed by the transport agencies.

	FY2015	FY2011	Change
Auckland Passengers	39,888,455	36,475,026	9.4%
Wellington Passengers	20,536,828	20,359,263	0.9%
Average Fare/Pax	$2.18	$2.06	5.8%
Average Contract/Pax	$1.52	$1.41	7.8%
Average Opex/Pax [1]	$3.15	$2.90	8.6%

1. 2015 operating cost excludes approximately $3 million spent on efficiency initiatives

Over the five-year period detailed in the table above, consumer prices rose 9% and average hourly wages 14%. The Wellington/Hutt population rose 4% and Auckland's by 6%.

The cost of markedly expanded bus based public transport in Auckland, Wellington and the Hutt would be a small fraction of the cost of either building more roads or expanding rail. Regrettably both of those activities receive much more political and lobbying support.

However, at least one change is due for bus public transport in FY2016 when new contracts are finally implemented after literally a decade of wrangling. The contract uncertainty has impeded transport regulators from providing more funding to bus services, and the lack of certainty has hampered operators from investing in their businesses.

The contract details which have been provisionally disclosed offer bus companies medium-term certainty (6 to 12 years) and seem likely to transfer most patronage and fare risk to the transport agencies. Today if someone doesn't catch the bus, it is the operators who are at risk. Under the new contracts it will be the council's problem.

The key to being successful under the new regime will be providing a safe, reliable, low cost service and this is the focus of NZ Bus management. Over FY2015 $2 million was spent on specific measures to improve productivity and this is showing good results. In total EBITDAF was reduced by $5 million due to one off initiatives and non-recurring costs. NZ Bus has also achieved the ACC's highest standard of safety accreditation.

Year Ended 31 March	**2015**	**2014**
Patronage north	39,888,455	37,591,015
Patronage south	20,536,828	20,373,202
Bus distance (million kilometres)	47.8	47.8
Bus numbers	1,075	1,117
Passenger income	$131.8m	$127.9m
Contract income	$91.8m	$89.1m
EBITDAF	**$34.2m**	**$40.0m**
Capital spending	$15.3m	$68.1m
Infratil's holding value[1]	$285.8m	$303.1m

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

Z ENERGY (20% INFRATIL OWNERSHIP)

For the year ended 31 March 2015 Z Energy reported $241 million EBITDAF (replacement cost basis) up from $219 million the previous year. The Company declared dividends for the year of 24.2 cps up from 22 cps previously.

Improved refining margins contributed $7 million to the uplift and further improvement from this source is anticipated once the $365 million upgrade to the refinery is completed later this year.

Z Energy has itself invested an average of $63 million per annum over the last five years and these initiatives have lifted sales, margins and ancillary income as well as driven efficiencies. The Company is on track to generate up to a further $40 million in EBITDAF gains from its various development projects.

METLIFECARE (20% INFRATIL OWNERSHIP)

Metlifecare made a $16 million equity accounted contribution to Infratil over the year.

The Company's half year performance to 31 December 2014 showed a 70% increase in underlying profit to $26 million, including realised resale gains and development margins of $17 million up from $10 million for the same period the previous year.

Over the six months 231 units gained new residents, including 29 units for the first time and construction was underway on a further 198 units and care beds which is consistent with Metlifecare's goal of delivering 5% growth. The Company's total pipeline comprises 1,089 units and 370 care beds, and it has also entered into conditional agreements to acquire further land in the Auckland area.

The average gain between the payment to outgoing and incoming residents rose to $132,000 per unit ($111,000 a year prior). The average Embedded Value of occupied units rose to $147,000. This is the amount Metlifecare has projected it will receive from the re-occupation of all its units in due course ($124,000 a year prior).

RETIREAUSTRALIA (50% INFRATIL OWNERSHIP)

Over the 3 months to 31 March 2015 RetireAustralia delivered to the acquisition forecast with EBITDAF of A$6.6 million, operating cash flows of A$11.2 million (before financing and acquisition costs). The net surplus before acquisition related costs was A$3.1 million, which was reduced to a loss of A$11.4 million after taking those costs into account.

For the year to 30 June 2015 it is forecast that RetireAustralia will roll over the occupation of approximately 350 existing units and will sell about 80 rights to occupy new units. The quarter's performance was consistent with this expectation.

The Company has almost concluded the refinancing of it's A$250 million of medium term debt facilities which will reduce its interest cost.

Chief executive Tim Russell decided to step down from the role to become a consultant to the Company. A search for a replacement is underway.

Two independent directors have been appointed to assist RetireAustralia expedite their development plans and to expand its care offering.

INFRATIL INFRASTRUCTURE PROPERTY (100% INFRATIL OWNERSHIP)

IIP was established to provide specialist focus to the ownership of land utilised by Infratil subsidiaries, which to date mainly comprises the depots used by NZ Bus. Over the last year IIP's initiatives in this area included completion of stage one of the redevelopment of land previously used for bus parking in New Lynn, Auckland and the acquisition and leasing to NZ Bus of a new depot in Thorndon, Wellington.

In both cities, the availability of large flat sites is constrained and optimal land use and value are changing. This makes minimising the cost of depots, on the one hand, and maximising the value of the land on the other hand, a challenge. It is hoped that redevelopment of the Kilbirnie and Auckland City bus depots will be progressed in FY2016.

The New Lynn development was undertaken in joint venture with Auckland Council and entailed both parties contributing land no longer required for public transport. IIP developed the site into a medical centre, car parks and residential units, which have been partially sold down for $20 million, realising a $5 million profit. Sale of the rest of the property is expected to occur in FY2016.

SNAPPER SERVICES (100% INFRATIL OWNERSHIP)

Snapper was originally established to provide cost-efficient ticketing systems to New Zealand public transport operators.

It has successfully executed this mandate, including the integration of smart card tickets with the use of mobile phones. This work gained international recognition with receipt of the Transport Ticketing Technology of the Year award in London earlier this year.

This success also resulted in Snapper, in partnership with Vix Technologies, securing a contract to provide ticketing and payment services to the National Transport Authority for the Republic of Ireland.

In a technology sector which is changing quickly, Snapper has developed and installed a suite of excellent payment and information products thanks to the calibre of its team.

ISITE (100% INFRATIL OWNERSHIP)

iSite provides a third of New Zealand's commercial outdoor advertising and is championing the shift from static to digital billboards. Reflecting its professionalism and focus on measuring results for its customers it won the industries' Media Business of the Year award for 2015 against competition from Media Works and TVNZ.

iSite's EBITDAF contribution to Infratil rose to $5.2 million from $4.7 million the previous year.

PERTH ENERGY (80% INFRATIL OWNERSHIP)

The Western Australian electricity market is both physically remote from that of the Eastern states and was set up with a regulatory structure which placed much greater power in the hands of state owned entities and regulatory agencies. Over 2014 this model was comprehensively reviewed and found wanting in several areas. While the government has not supported all of the recommendations put forward by the review, it is in favour of introducing full retail contestability into the electricity market, which is positive for Perth Energy.

Material changes are not expected to be implemented before 2017 and are being closely followed. In the meantime Perth Energy had a satisfactory year in FY2015. Retail revenue was down 10% and EBITDAF fell 12% to A$13.1 million, but external debt was reduced to A$51.2 million and the holding vale of Infratil's stake was unchanged at NZ$76.7 million.

AUSTRALIAN SOCIAL INFRASTRUCTURE PARTNERS FUND (ASIP)

Increasing Australian state and federal use of Public-Private Partnership funding for schools, hospitals and roads saw Infratil commit to invest A$100 million into the sector through ASIP. The investments are believed to offer attractive risk/return features and their technical complexity requires the specialist expertise provided by the Fund.

To date ASIP has invested in two projects and has bid to participate in a number of others.

The two which were successful, were the A$323 million, seven school, Aspire Schools initiative in Queensland and the A$1,850 million Royal Adelaide Hospital. Construction of the schools is now complete and the Queensland government is now making distributions to capital providers. The Hospital is expected to be commissioned in mid-2016.

Infratil's contribution to Aspire Schools was A$8.8 million and over FY2015 A$0.6 million of distributions were received. The investment has also been revalued up by a similar amount.

Infratil's contribution to the Royal Adelaide Hospital now totals A$19.1 million and the first distribution on this is expected in FY2017.

It is hoped that over FY2016 ASIP is successful in gaining access to additional projects.

Marko Bogoievski Chief Executive	Mark Tume Chairman