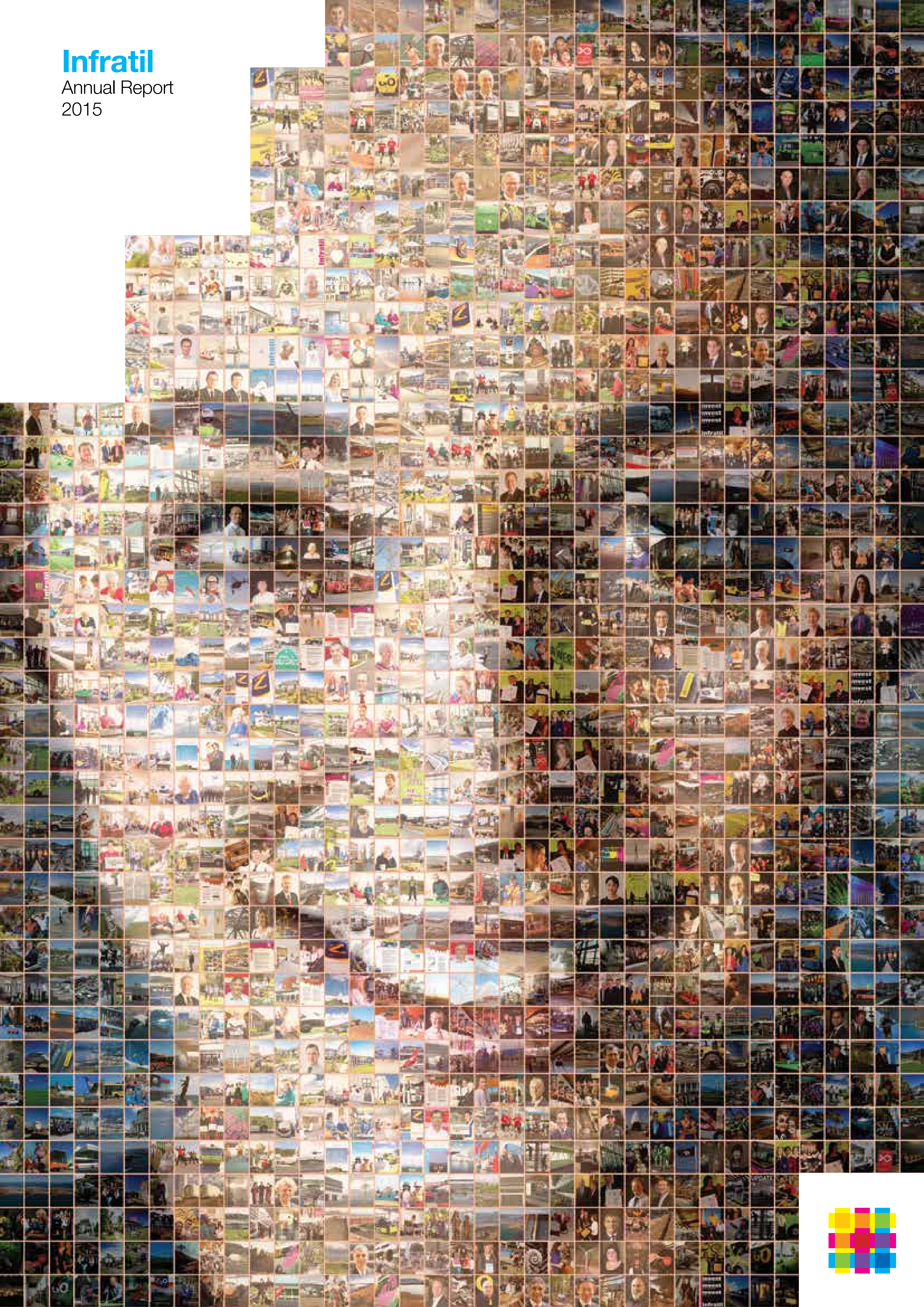
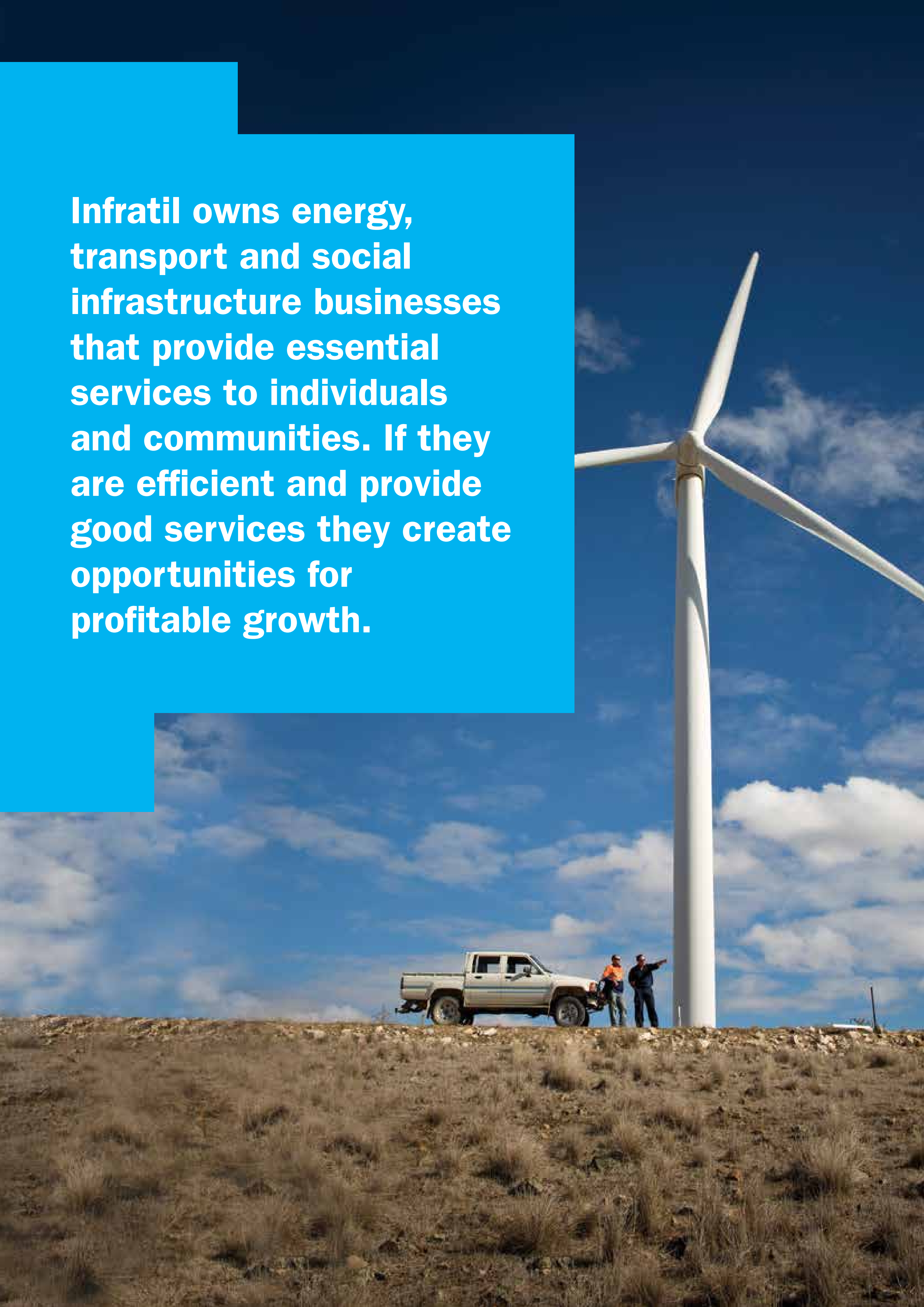
Infratil
Annual Report
2015



Infratil owns energy, transport and social infrastructure businesses that provide essential services to individuals and communities. If they are efficient and provide good services they create opportunities for profitable growth.



60,400,000 public transport trips, renewable electricity for 510,000 households (200,000 in Australia and 310,000 in New Zealand), 304,000 energy/ telecommunications accounts, 5,500,000 airport passenger movements, 11,000 residents in retirement accommodation, 55,000,000 vehicle refuellings.

Year ended 31 March	2015	2014
Net Parent Surplus 68 cents per share up from 34 cents the prior year	**$384m**	$199m
Consolidated EBITDAF[1] EBITDAF was $484 million including Z Energy on a replacement cost basis and excluding RetireAustralia purchase costs. $439 million the prior year	**$453m**	$437m
Capital Expenditure Including $219 million acquisition of 50% of RetireAustralia and $173 million invested in Australian renewable generation	**$508m**	$616m
Divestments Sale of mature businesses to allow capital redeployment	**$700m**	$422m
Net Debt Infratil and 100% subsidiaries	**$761m** 30% of capitalisation	$1,062m 46% of capitalisation
Capital Management Special dividends of 15.0 and 6.4 cents	**$120m**	$0
Ordinary Dividends Declared	**12.50cps**	10.75cps

1 EBITDAF is a non-GAAP measure which shows the operating earnings contributions of investments and businesses owned as at 31 March 2015 before interest, tax, depreciation and amortisation and before making any adjustments for fair value movements, realisations and impairments. EBITDAF also excludes the contribution of businesses sold during the period which are included within discontinued operations. The $484 million noted above includes the Z Energy contribution on a replacement cost basis as the historic cost earnings of Z Energy can be volatile depending on oil price fluctuations (+$22.8 million adjustment, 2014: +$1.5 million adjustment) and excludes Infratil's share of the costs associated with the acquisition of RetireAustralia which are considered one-off and non-operational in nature (+$7.8 million adjustment). EBITDAF is a useful non-GAAP financial measure which presents management's view of the underlying business operating performance. A reconciliation of EBITDAF to net parent surplus is provided in the Consolidated Results table on page 15.

Directors

Duncan Saville
Director

Duncan Saville has been a director of Infratil since its establishment and is also a director of H.R.L. Morrison & Co, Infratil's manager. He is a chartered accountant and an experienced non-executive director in the utility sector having been on the boards of water, airport and utility investment companies. He is a Fellow of the Institute of Chartered Accountants in Australia and of the Australian Institute of Directors.

Anthony Muh
Alternate Director

Anthony Muh was an independent director of Infratil from 2007 until 2010 and is now an alternate for Duncan Saville. He joined H.R.L. Morrison & Co in 2010 to head its asset management businesses. He has extensive experience in investment management including senior roles at Alliance Trust Plc; Citigroup Global Asset Management and Solomon Brothers Asset Management Asia Pacific.

Marko Bogoievski
Director. Chief Executive

Marko Bogoievski is Chief Executive of Infratil and its manager, H.R.L. Morrison & Co. He joined the Infratil board in 2009. He is a director of Trustpower, Z Energy and H.R.L. Morrison & Co. He was previously Chief Financial Officer of Telecom New Zealand and has held board roles with Auckland Airport and SKY Network Television. He is a Fellow of the New Zealand Institute of Chartered Accountants.

Mark Tume
Chairman. Independent

Mark Tume has been Chairman since 2013 and a director since 2007. He is a director of RetireAustralia, the New Zealand Refining Company and New Zealand Oil and Gas and is a member of the board of the Guardians of The New Zealand Superannuation Fund. His professional experience has been in banking and funds management.

Humphry Rolleston
Director. Independent

Humphry Rolleston has been a director of Infratil since 2006. He is a director of NZX listed companies Property for Industry, Mercer Group, and SKY Network Television and owns private companies involved in tourism, security, manufacturing and finance. He is a Fellow of the New Zealand Institute of Directors and the Institute of Management.

Alison Gerry
Director. Independent

Alison Gerry joined the Infratil board in 2014 and is Chair of its Audit and Risk Committee. She is deputy chair of Kiwibank and a director of NZX and TVNZ. Her professional experience has been in corporate finance in New Zealand and Asia.

Paul Gough
Director. Independent

Paul Gough joined the Infratil board in 2012. He is a partner in the UK private equity fund STAR Capital Partners with responsibility for investments in the transport and energy sectors. He is a director of several international companies and previously worked for Credit Suisse First Boston in New Zealand and London.

Report of the Chairman & Chief Executive

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.

The net parent surplus was $384 million compared with $199 million in the prior year. Consolidated EBITDAF of continuing operations was $453 million up from $437 million. Free cash flows from operations amounted to $236 million from $407 million (the prior year was boosted by $145 million of one-offs). $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. As at 31 March 2015 debt was providing closer to 30% of funding leaving substantial capacity for capital management or investment.

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 timeframe then some capital should be returned. Illustrating this balanced and incremental approach, for the year under review $120 million has been returned to shareholders via special dividends, while the group invested $508 million.

Although we are confident about future investments, completion risks are significant and timing is intrinsically uncertain. To mitigate these uncertainties, management takes all practical steps to set out the Company's approach and criteria; which are outlined later in this Report and are described in detail in the presentations from Infratil's 31 March 2015 Investor Day which are available on Infratil's website.

The overriding theme of Infratil's allocation of capital is discipline. Practically that means approaching all new investments with the expectation that the asset or business will be part of Infratil in 2025 and beyond; it's a wonderful incentive to think deeply about all the "what could go wrong" possibilities.

Our message to shareholders is that patience and long-term focus will enable Infratil to invest to grow earnings and value, as illustrated by the last two years when approximately $750 million has been invested in transport and renewable energy and $400 million in retirement facilities.

However, it is natural for shareholders to harbour concerns about overpayment because we are in an environment distorted by cheap money and some asset values clearly reflect very aggressive rate of return expectations with little room for error. The strongest evidence to allay this is the Company's commitment to maintaining the approach which has delivered an 18.4% per annum after tax compound return to shareholders over the last 21 years; which we understand makes Infratil the best performed share on the NZSE/NZX over that period.

We can also point to individual investments as case studies of discipline and patience; such as the 14 year project that was Infratil Energy Australia (it is fully explained in the 30 September 2014 Interim Report). Over the last five years this approach has seen $2,285 million invested and $1,138 million released by divestment.

Of the $2,285 million invested, over 70% was internal; terminal facilities at Wellington Airport, 400 new buses for Auckland and Wellington, Trustpower's wind farms and so on. But even internal opportunities to invest should not however be regarded as "captive" or fait accompli.

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 last financial year saw significant investment and divestment, 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 Infratil provides are crucial to its users and its 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 fuels, 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 recent 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 following the result of the last General Election. In contrast, the protracted political process of the Australian Government over its renewable generation targets has delayed Trustpower's plans to expand its wind power capacity in that country.

An intriguing area of potential is highlighted by the steps being taken by Christchurch City Council to progress the sale of shares in its infrastructure businesses. Across New Zealand councils are facing pressure to invest in better facilities and some are at least contemplating recycling capital (selling one asset to buy another) to augment the usual approach of raising debt and rates.

Shareholders

For Financial Year 2015, Infratil paid a 4.5 cents per share interim dividend in December 2014 and an 8 cents per share final dividend in 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 special dividend of 15 cents per share in December 2014 and a further 6.4 cents per share in June 2015. The special dividends (which total $120 million) reflect Infratil's 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.

The forecast includes 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.

$Millions	Actual FY2015	Guidance FY2016
EBITDAF*	$484	$520-550
Operating cash flows	$236	$270-300

* Both EBITDAF sums include Z Energy's contribution on a replacement cost rather than historic cost basis. To provide consistency, the FY2015 value excludes $8 million of costs associated with the purchase of the 50% interest in RetireAustralia.

Over the last two years the level of divestments and investment has been above average and this is likely to be the case for some time yet. Infratil has substantial capital resources to deploy, many asset values are high, and interesting opportunities are on the horizon. While we wait to see what unfolds, the priority will be to continue to have our businesses provide good service to their communities to lay the foundation for profitable growth.

Mark Tume
Chairman

Marko Bogoievski
Chief Executive

Infratil in the Community

Infratil has a multiplicity of purposes; to produce goods and services that meet economic and social needs, to provide satisfying employment, to earn returns for its capital providers, and to make a positive contribution to its social and physical environment.

Management must balance these claims, a part of which means building relations with the communities in which the business operates by making tangible contributions.

Infratil's activities are often in areas where the profit motive can be seen as a threat rather than an advantage "how can I trust you to care if you are doing it for the money?". Explanations of why a margin and a profit are required not infrequently draws "you would say that wouldn't you!". While there is no substitute for day to day operations that deliver the balanced benefits noted above, direct sponsorship and community support initiatives are also important.

Trustpower Community Awards. The Epuni School urban garden project led by Common Unity Project Aotearoa

They allow Infratil's people to engage with things they care about, to do good, and to build trust.

There is no doubt that businesses such as Infratil's only thrive when their communities thrive and when many people recognise that the Company has many foundations to its economic, political and social legitimacy.

Infratil is the principal sponsor of the New Zealand Youth Choir

Wellington Airport is the foundation partner of the CubaDupa festival







Management

Marko Bogoievski
Director. Chief Executive

Phillippa Harford
CFO. Responsible for the requirements of the CFO office. Experience in New Zealand and offshore tax management.

Peter Coman
Property and Social Infrastructure. Property, public-private funding initiatives and social infrastructure. Chair of iSite and Infratil Infrastructure Property and a director of Wellington Airport.

Kevin Baker
Chair of NZ Bus and a director of Metlifecare. CFO H.R.L. Morrison & Co. Previously he was Infratil CFO and prior to that CFO of NGC Holdings.

Jason Boyes
Head of Legal. Group legal compliance and transaction structuring and execution. Director of Wellington Airport. Previously he was a partner at Buddle Findlay specialising in corporate, securities and finance law.

Tim Brown
Capital Markets and Economic Regulation. Chair of Wellington Airport and a director of NZ Bus.

Fiona Cameron
Group Treasurer/H.R.L. Morrison & Co Financial Controller. Infratil group treasury operations; funding, FX and interest rate management. Previous experience is in the energy and banking sectors.

Roger Crawford
Australian energy sector activities and opportunities. Director of Perth Energy.

Steven Fitzgerald
Responsible for analysis and execution of airport sector opportunities. Chair of RetireAustralia and Perth Energy and a director of Wellington Airport. Extensive airport management experience.

Miki Szikszai
CEO Snapper

Previously with Telecom NZ with responsibility for new media products for broadband and mobile.

Liam Tohill
Financial Controller. Corporate accounting, company and group financial reporting, budgeting and forecasting. Previous roles were in finance and banking.

Mark Flesher
Capital Markets and Investor Relations. Liaison with investors. Extensive experience in funds management, investment and corporate finance.

Zane Fulljames
CEO NZ Bus

Previous experience in logistics, oil and gas, construction, manufacturing and finance.

Paul Newfield
Responsible for sector analysis and identification and execution of transactions.

Bruce Harker
Heads H.R.L. Morrison & Co's energy team. Chair of Trustpower and a director of Z Energy.

Vince Hawksworth
CEO Trustpower

Previous roles have included CEO of Hydro Tasmania and experience with thermal and hydro generation and energy retailing.

William Smales
Private investment activity. Director of Metlifecare and RetireAustralia. Previously he was based in the UK with Carlyle Group where he was a principal in the firm investing in Europe and North America.

Steve Sanderson
CEO Wellington Airport

Previous roles have included CEO of Queenstown Airport and in manufacturing and infrastructure.

Vimal Vallabh
Investment activity especially in the energy sector. Previous experience has involved generation investment in USA, Africa and Europe.

Matthew Ross
Group performance reporting, financial and management accounting.

Infratil Financial Trends

The graphed years cover the period of the global financial crisis and Infratil's subsequent evolution. It shows the changes to Infratil's portfolio of businesses and the consequence of placing greater weight on delivering cash returns for the benefit of shareholders.

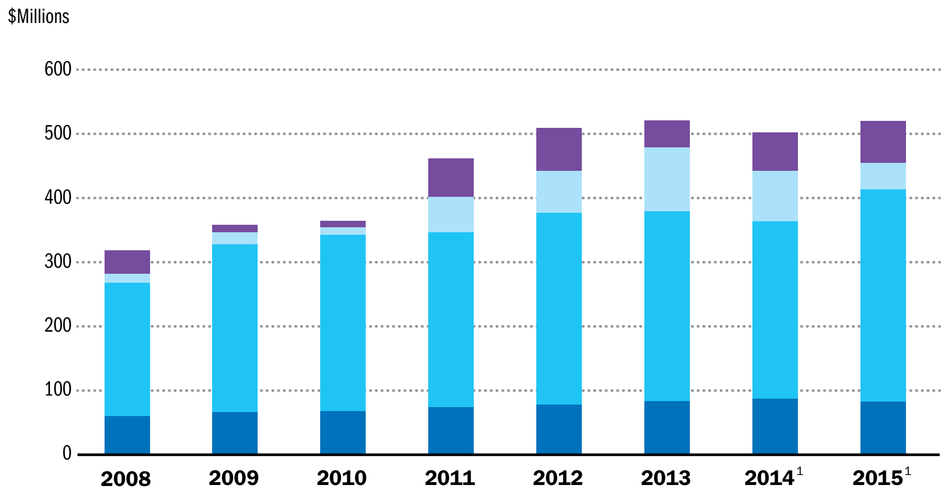
Over the last six years as these changes have borne fruit Infratil's dividends have doubled and total compound returns to shareholders have been 19.5% per annum after tax (share price appreciation and fully imputed dividends).

EBITDAF

(Earnings before interest, tax, depreciation, amortisations and adjustments for fair value movements, realisations and impairments)

The stability of EBITDAF over the last five years has occurred over the period involving substantial investment and divestment which is expected to drive earnings growth in future

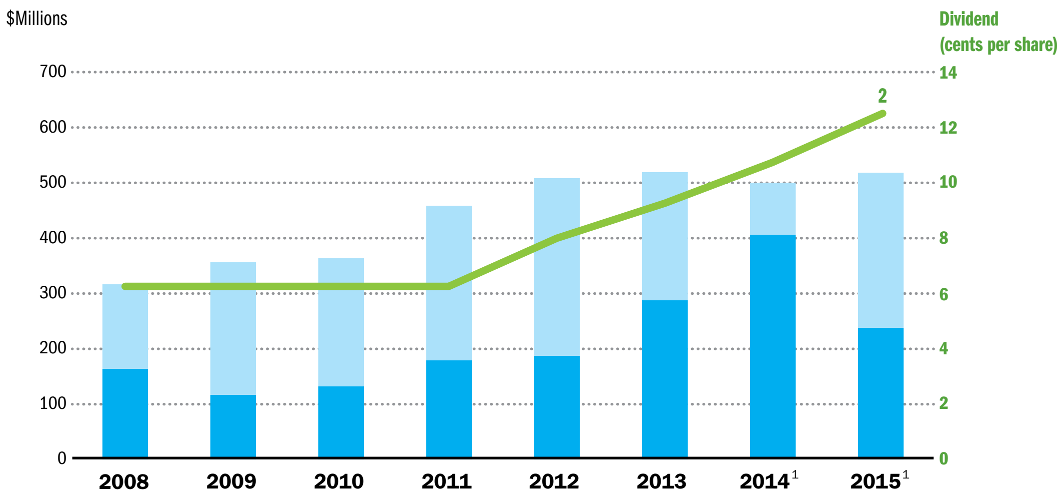
- NZ Bus, Z Energy and Other
- Infratil Energy Australia
- Trustpower
- Wellington Airport



Cash Flows & Infratil's Dividends

Operating cash flow comprises EBITDAF less payments of interest and tax and changes to working capital

- — Dividend (rhs)
- Interest, tax, working capital (lhs)
- Operating Cash Flow (lhs)

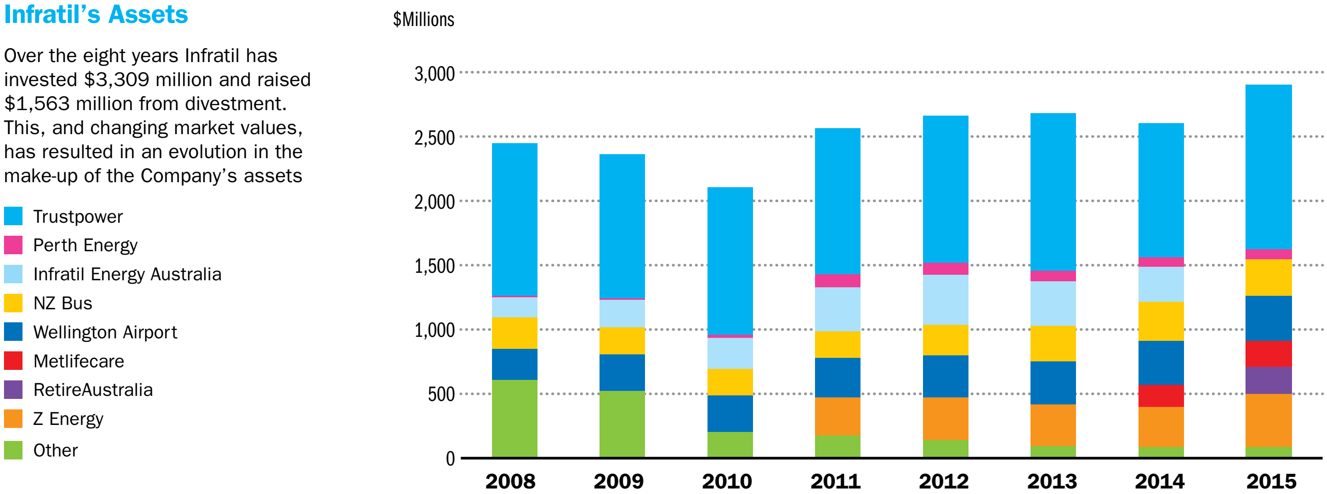


1 To enable comparison, the graphs for 2014 and 2015 include the EBITDAF and cash flow contributions of the businesses sold in FY2015

2 Excludes 21.4 cents of special dividends

Infratil's Assets

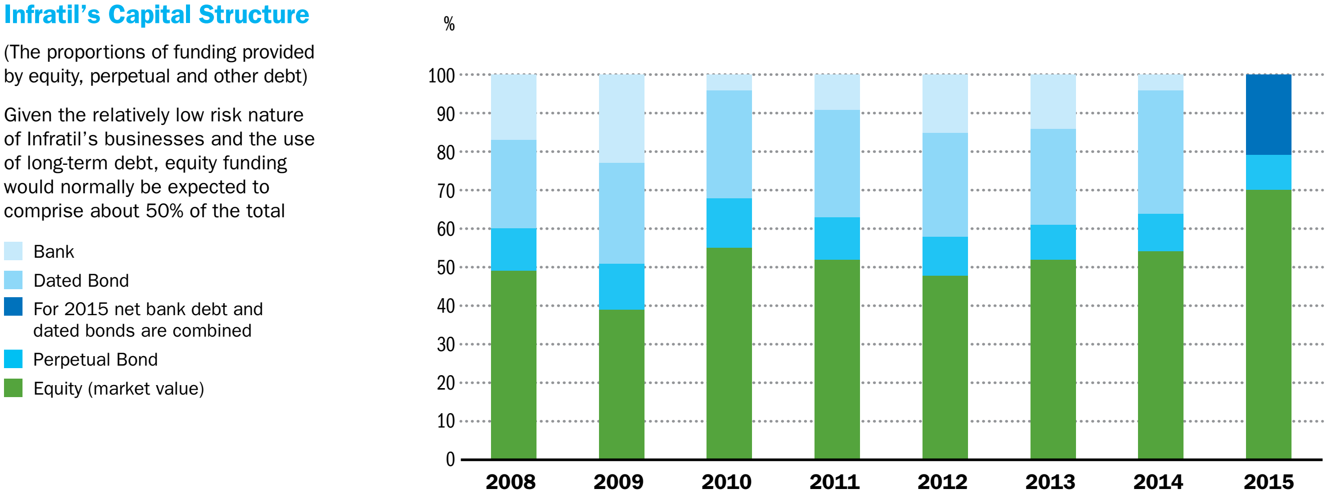
Over the eight years Infratil has invested $3,309 million and raised $1,563 million from divestment. This, and changing market values, has resulted in an evolution in the make-up of the Company's assets



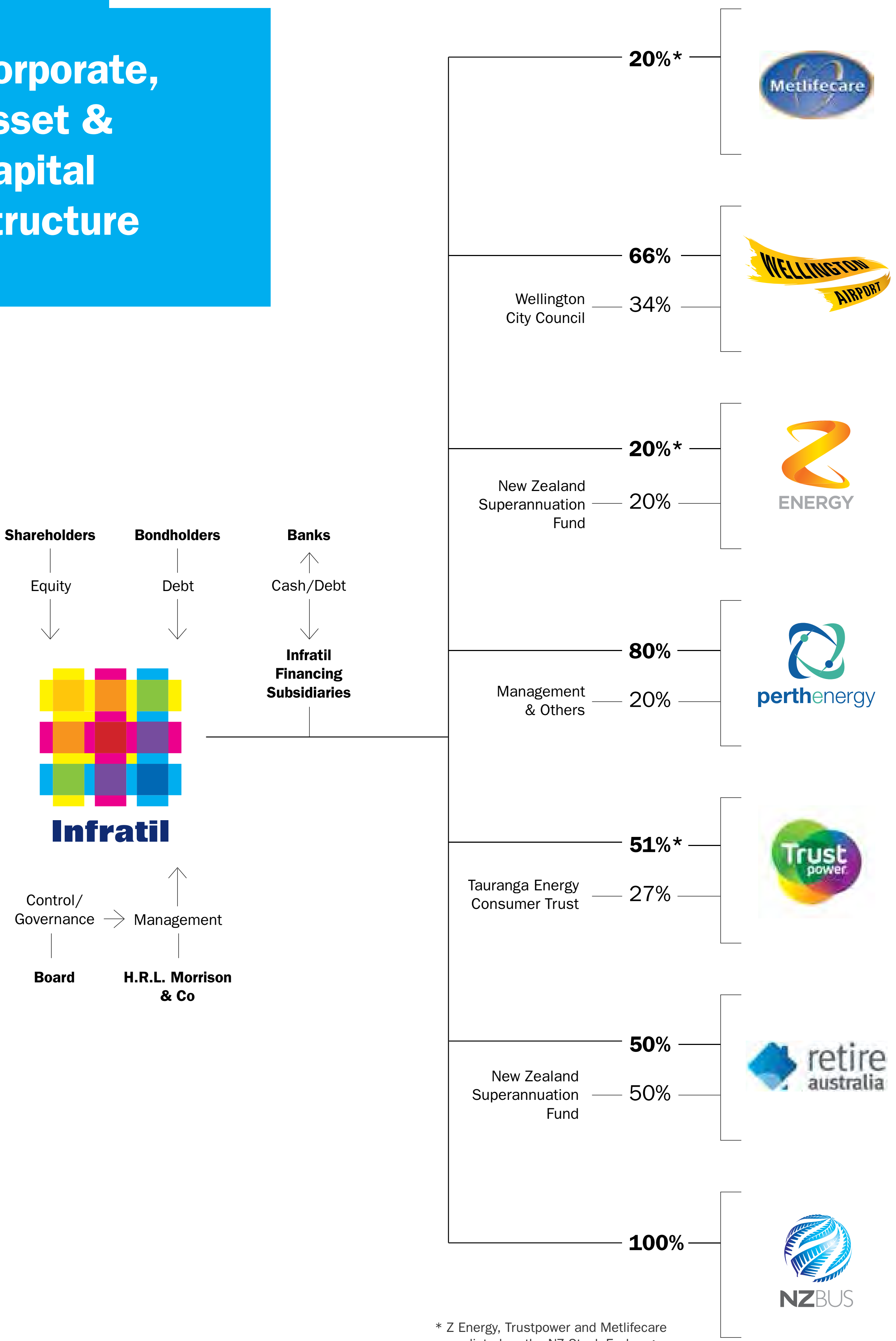
Infratil's Capital Structure

(The proportions of funding provided by equity, perpetual and other debt)

Given the relatively low risk nature of Infratil's businesses and the use of long-term debt, equity funding would normally be expected to comprise about 50% of the total



Corporate, Asset & Capital Structure



* Z Energy, Trustpower and Metlifecare are listed on the NZ Stock Exchange. Only Infratil and other major shareholdings are shown above.

Financial Highlights

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
RetireAustralia	$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 2014 value of $19 million, were sold for $28 million ($26 million after tax). These 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 NZ Bus reflect the difference between the companies' net surplus over the period and payments to shareholders. For 31 March 2015 "Other" includes iSite, Snapper, Infratil Infrastructure Property and Australian Social Infrastructure Partners (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.

Breakdown of Adjusted Consolidated EBITDAF & Net Surplus Before Revaluations

The following tables give the breakdown for the last two financial years of Infratil's Adjusted EBITDAF, depreciation & amortisations, interest and tax (the adjustments are to include Z Energy's contribution on a replacement cost basis and, for FY2015, to exclude the RetireAustralia acquisition costs). The third table below reconciles these figures with Infratil's reported net parent surplus.

Year Ended 31 March 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**

Year Ended 31 March 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 Adjusted Net Surplus Before Minorities to the Net Parent Surplus

Year ended 31 March $Millions	2015	2014
Adjusted Net Surplus before minority interests	**$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
Gain on Z IPO	-	$182.5
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)
Net surplus	**$466.3**	**$274.6**
Less - Minority Interests	($82.8)	($75.7)
Net Parent Surplus	**$383.5**	**$198.9**

Consolidated Results

Year Ended 31 March $Millions	2015	2014
Total income	$1,668.9	$1,553.5
Operating expenses	($1,215.5)	($1,116.1)
EBITDAF (continuing operations)	**$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 Energy 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).

Trustpower's $53.3 million increase reflected increased Australian generation from newly commissioned/ acquired capacity

Z Energy's lower contribution was due to Infratil reducing its shareholding from 50% to 20% and Z Energy reporting lower earnings on an historic cost basis

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 operations)	**$453.4**	**$437.4**
Discontinued operations	$42.0	$53.6
Total EBITDAF	**$495.4**	**$491.0**

1 Z Energy's contribution is shown on an historic cost basis. On a replacement cost basis Z Energy contributed $24.2 million in 2015 and $34.2 million in the prior year.

2 Infratil share of the RetireAustralia acquisition costs was $7.8 million. Excluding these, 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).

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 distributions received from Z Energy and a $38 million gain from realised foreign exchange contracts.

Capital Expenditure and Investment

Infratil deploys capital either through subsidiaries, such as Trustpower building the Snowtown wind farm, or by direct acquisition, such as the purchase of 50% of RetireAustralia.

Over the last five years Infratil has invested $2,285 million (and realised $1,138 million through asset sales). Of the $2,285 million 73% was through subsidiaries (buses, terminal facilities, electricity generation plant, etc) and 27% was external (buying shares in Z Energy, RetireAustralia, Metlifecare and via ASIP).

For the last two years, investments in Metlifecare and RetireAustralia relate solely to Infratil's purchase of shares in the relevant companies. No internal investment activity by those two companies is included in the table, and nor is that of Z Energy since Infratil reduced its holding from 50% to 20%.

Year Ended 31 March $Millions	**2015**	**2014**	**2013**	**2012**	**2011**	**Total**
Trustpower	$199.8	$349.7	$214.1	$48.5	$108.5	**$920.6**
Wellington Airport	$21.9	$20.3	$12.0	$22.2	$15.6	**$92.0**
NZ Bus	$15.3	$68.1	$56.7	$63.7	$16.5	**$220.3**
Perth Energy	$0.1	$0.1	$0.7	$0.8	$19.8	**$21.5**
Z Energy	-	-	$70.7	$74.0	$238.8	**$383.5**
Metlifecare	$1.6	$147.9	-	-	-	**$149.5**
RetireAustralia	$219.2	-	-	-	-	**$219.2**
Infratil Energy Australia	$16.2	$22.0	$27.0	$21.3	$96.3	**$182.8**
ASIP	$32.0	-	-	-	-	**$32.0**
Parent/Other	$1.7	$8.0	$29.8	$15.5	$8.8	**$63.8**
Total	**$507.6**	**$616.1**	**$411.0**	**$246.0**	**$504.3**	**$2,285.2**

Infratil's strategy for providing growing returns and value uplift for its shareholders is based on ongoing investment.

When shareholders consider whether Infratil is a yield or a growth stock, the answer is provided by a comparison of the respective allocation of funds. Over the period when $2,285 million was invested, Infratil and subsidiaries paid $705 million to shareholders ($336 million to Infratil shareholders and $369 million to minority owners of subsidiaries).

The presentation by CEO Marko Bogoievski at the Infratil 31 March 2015 Investor Day is worth watching http://www.infratil.com/for-investors/company-presentations/ Investing in today's market means finding niches which are not being chased by those with low rate of return expectations. By and large that means finding businesses where a high level of expertise and skill is required. Trustpower's investment in Australian wind and hydro generation is an excellent case study. Trustpower has the right team of people to undertake a series of projects (the construction of Snowtown I and II and the acquisition of NSW generation facilities via Green State Power). None of the opportunities were "captive" and each has created value though a highly disciplined approach and by having options and skills not generally available to other infrastructure investors.

Shareholder Returns & Ownership

Over the year Infratil's share price rose from $2.27 on 1 April 2014 to $3.18 on 31 March 2015. Fully imputed dividends of 7 cents per share and 19.5 cents per share were paid in June and December 2014.

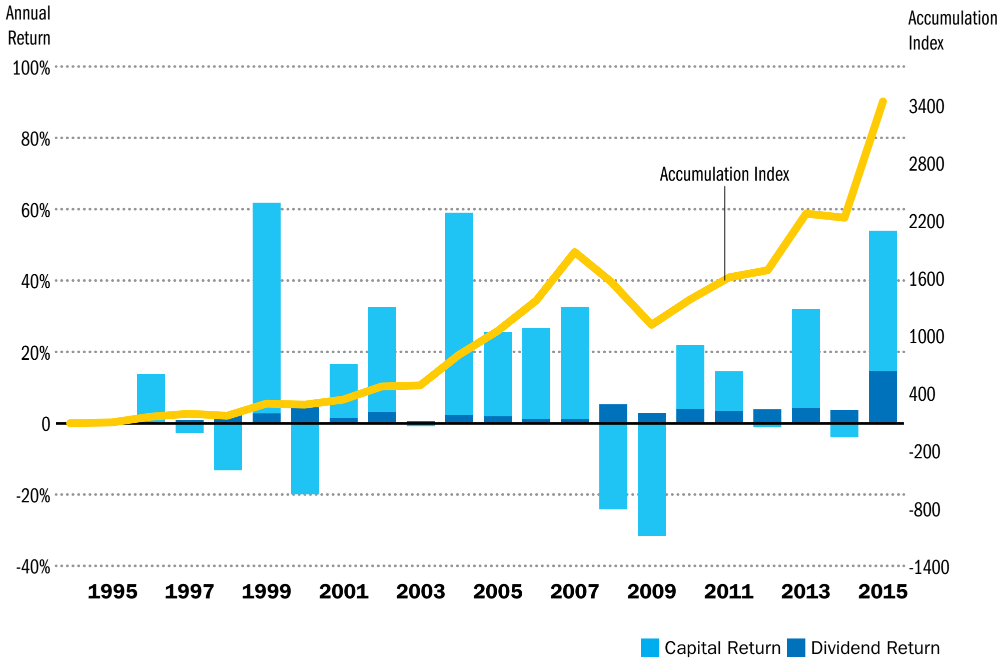
Had the dividends been reinvested in Infratil shares at the time they were paid they would have provided a return of 13.9% per annum on the 1 April 2014 share price. The share price appreciation returned a further 40.1% per annum. The total return amounted to 54.0% per annum. The prior year returns were 4.2% per annum from dividends and -4.2% from share price movement.

Over the last five years Infratil's compound return after tax to shareholders was 18.9% per annum. Over the 21 years since Infratil listed, compound after tax returns have been 18.3% per annum.

Someone who invested $1,000 in Infratil shares on 31 March 1994 and subsequently reinvested all dividends and the value of rights issues, etc. (ie who neither took money out nor put money in) would, as at 31 March 2015, own 10,840 shares worth $34,474

Infratil Track Record

Year ended 31 March

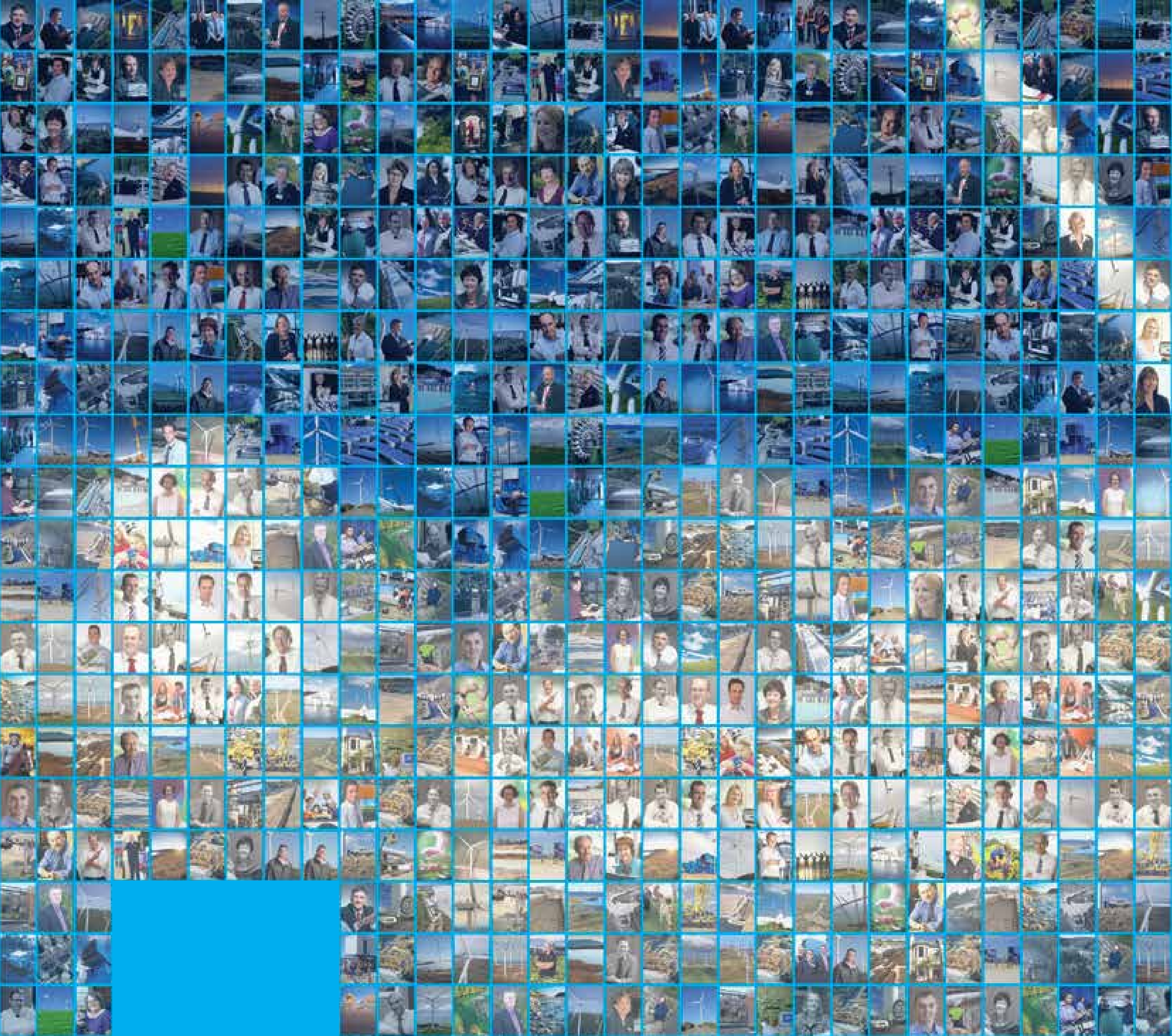


Ownership

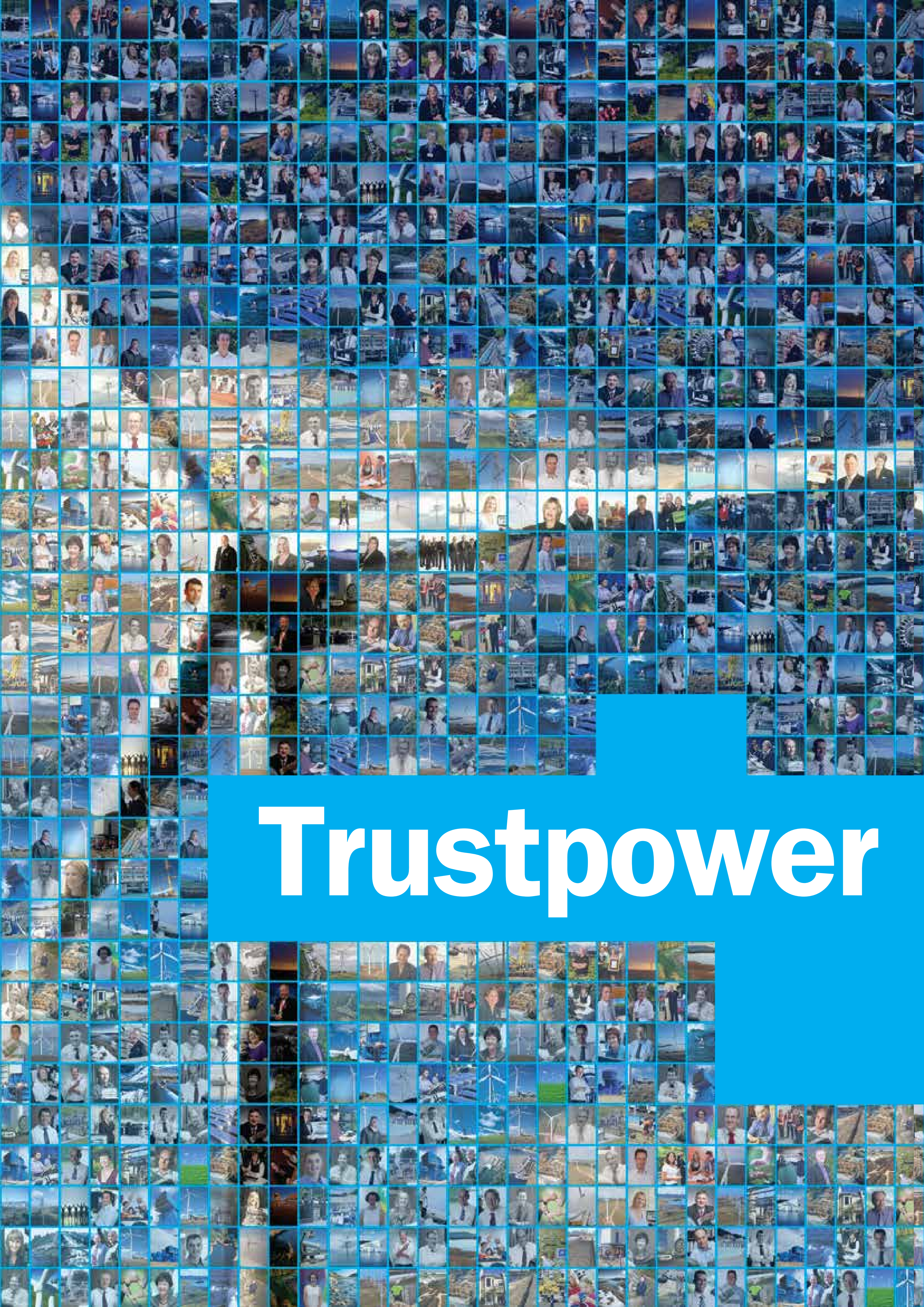
Approximately 20% of Infratil's shares changed hands over the year (15% the prior year). New Zealand domiciled ownership remained at slightly over 75%. Excluding individuals and management, the largest 25 shareholders increased their holdings slightly to 48% up from 46%.

	31 March 2015		31 March 2014	
	Million shares	**%**	**Million shares**	**%**
NZ retail investors	242	43%	239	42%
NZ institutions	145	26%	138	25%
Utilico	39	7%	49	9%
Management/other	35	6%	51	9%
Offshore	101	18%	85	15%
	562		562	

Infratil has approximately 23,000 individual shareholders including those whose shares are held by broker nominees and 16,000 bond holders, excluding bond holders who also hold shares. Approximately 100 of the owners are domiciled offshore.



Trustpower's renewable generation in New Zealand and Australia is sufficient to power 310,000 and 200,000 householders respectively


Trustpower

Trustpower

Trustpower delivered a 19% increase in EBITDAF and a 13% uplift in underlying net earnings. The main source of the increase was the commissioning of the Snowtown II wind farm and the purchase of 105MW 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 wind and hydro generation of this type.

Naturally it is hoped that further similar opportunities arise, but one impediment to this is the Australian Government review of its renewable energy targets. The original 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). Although 17,000GWh has been commissioned the target has now been provisionally reduced to 33,000GWh. When this is confirmed in legislation it is hoped that the greater regulatory certainty will allow Trustpower to successfully progress the development of additional wind farms. It has sites in South Australia, Victoria and New South Wales which are at the latter stages of consenting and have a total potential capacity of 890MW (Snowtown II installed capacity is 270MW).

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

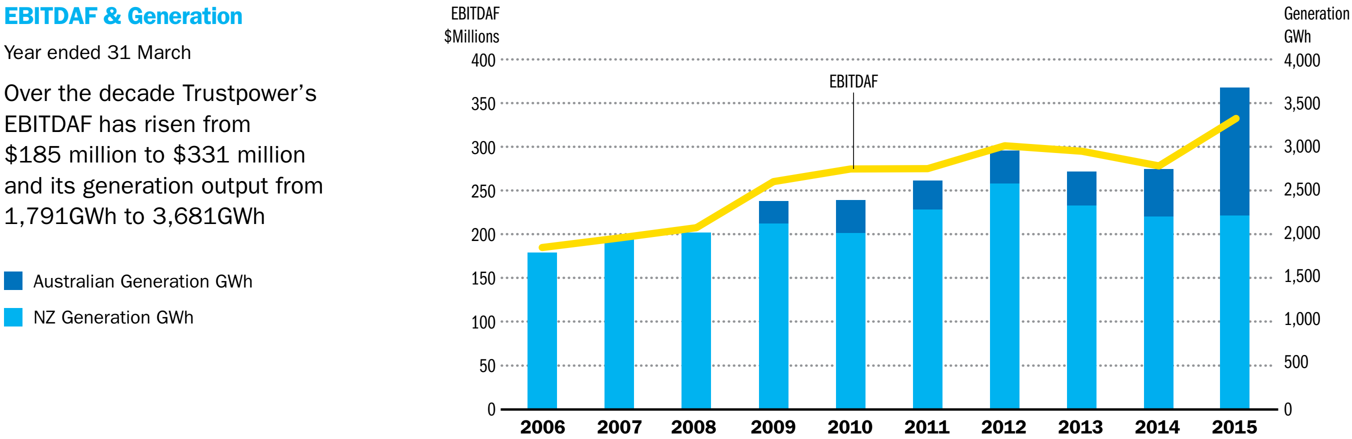
Year Ended 31 March	**2015**	**2014**
NZ output sold	3,934GWh	3,512GWh
NZ generation	2,216GWh	2,209GWh
Australian generation	1,465GWh	536GWh
Energy accounts	266,000	238,000
Telecommunication accounts	38,000	31,000
Average NZ market spot price	7.7c/kwh	7.3c/kwh
EBITDAF	**$330.7m**	**$277.4m**
Investment spend	$199.8m	$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

EBITDAF & Generation

Year ended 31 March

Over the decade Trustpower's EBITDAF has risen from $185 million to $331 million and its generation output from 1,791GWh to 3,681GWh

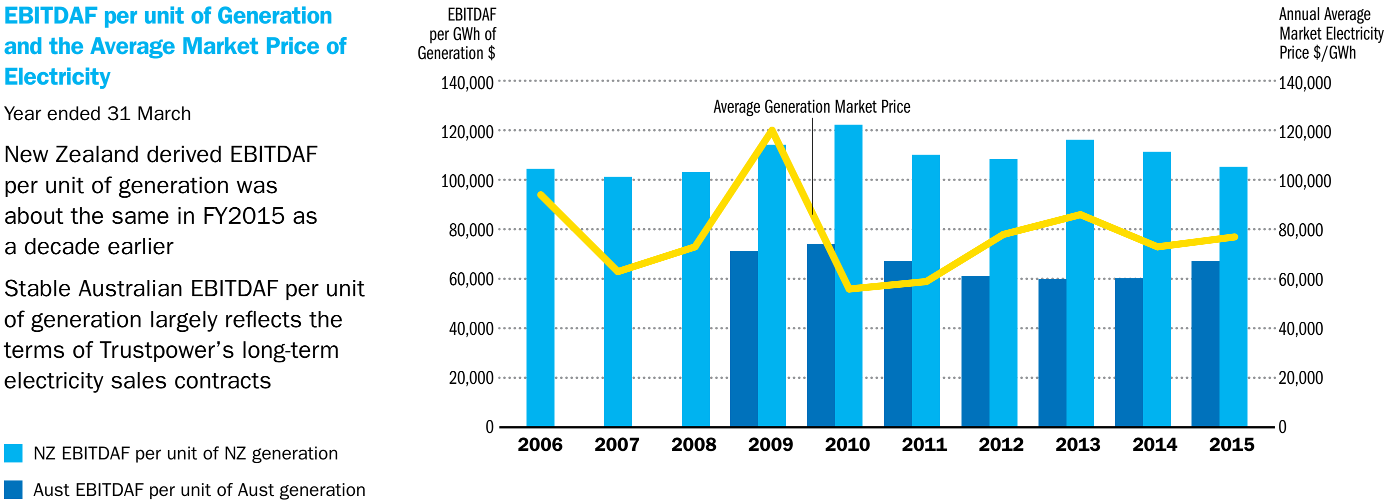


EBITDAF per unit of Generation and the Average Market Price of Electricity

Year ended 31 March

New Zealand derived EBITDAF per unit of generation was about the same in FY2015 as a decade earlier

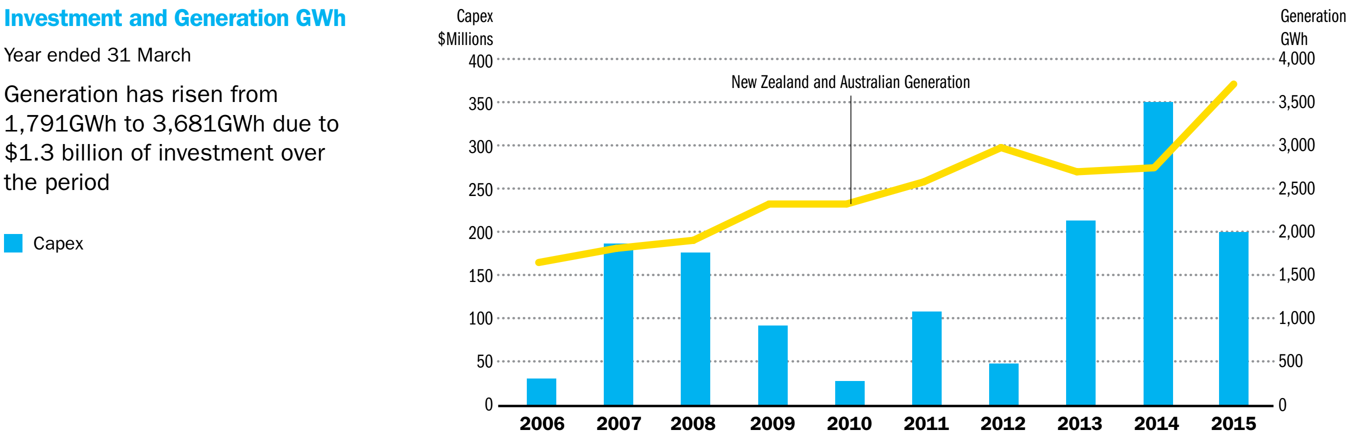
Stable Australian EBITDAF per unit of generation largely reflects the terms of Trustpower's long-term electricity sales contracts

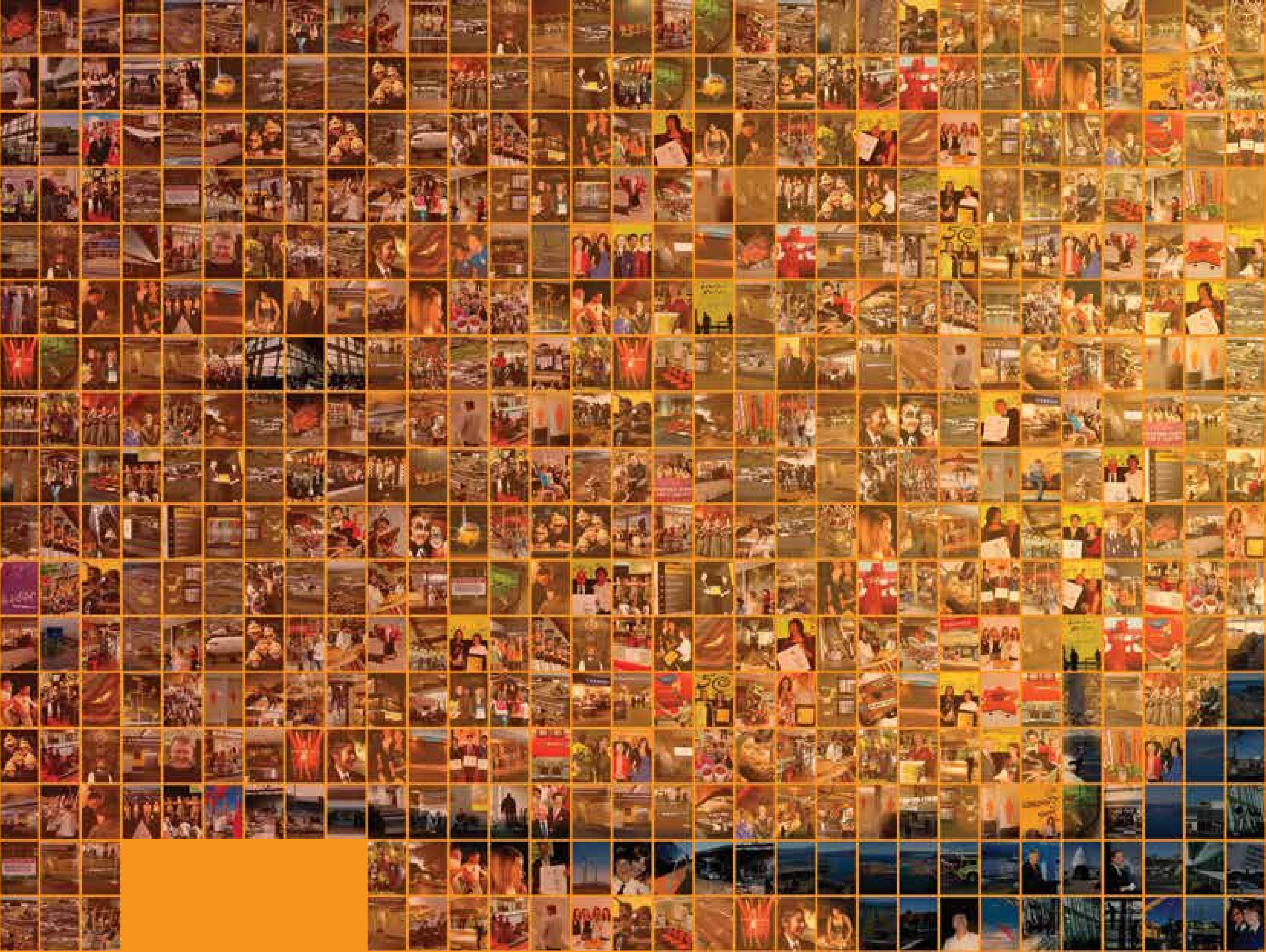


Investment and Generation GWh

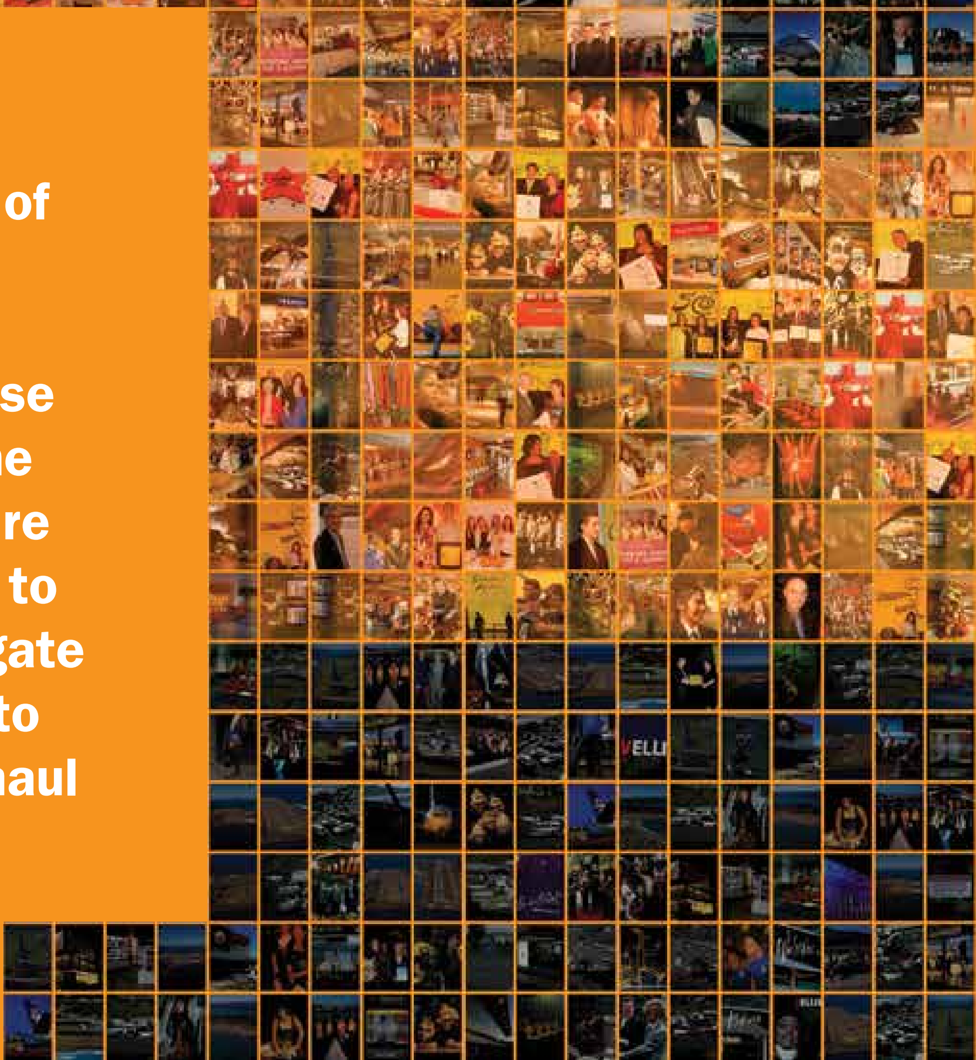
Year ended 31 March

Generation has risen from 1,791GWh to 3,681GWh due to $1.3 billion of investment over the period





A foundation year. Regulatory approval of prices. Terminal and passenger services upgrade. 16% increase in international airline capacity. Joint venture with Wellington City to consent and investigate a runway extension to accommodate long-haul air services



Wellington Airport

Wellington Airport

Wellington Airport progressed a number of initiatives that will have significant impact over the next few years.

$22 million was invested in the first stages of a $250 million upgrade to the passenger experience. Over the next four years it is expected that there will be a marked expansion of the domestic terminal and the international terminal arrivals area, the construction of a weatherproof multi-level car park, and 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 2015 when the Airport experienced its busiest ever day when over 20,000 passengers arrived or departed.

Three new international air services were confirmed. Towards the end of the 2015 March financial year Jetstar commenced flying between Wellington and Coolangatta and Melbourne, and in June 2015 Fiji Airways is to start services to Nadi (with on-links to Los Angeles). 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 lift performance.

The domestic market is also changing as Air New Zealand changes its aircraft fleet and introduces bigger aircraft onto the more travelled routes while stopping services to smaller centres. Markets dislike a vacuum and a number of second tier carriers are expanding their networks to fill the gaps left by Air New Zealand.

On the regulatory front the Commerce Commission affirmed the acceptability of the airline charges set by Wellington Airport for the period June 2014 to March 2019. The annual disclosures required by the Commission of New Zealand's three main airports make interesting reading as they now cover the four years since 2011. Wellington Airport is rated 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 immediate aim is to have construction consented by mid 2016, but there are detractors, including airlines that don't favour Wellington gaining long haul services because they are concerned about the effect on services that use other airports. The project is explained in detail in the Infratil September 2014 Update.

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 income	$9.7m	$9.2m
Operating costs	($26.2m)	($24.9m)
EBITDAF	**$82.1m**	**$86.0m**
Investment spend	$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

EBITDAF & Passengers

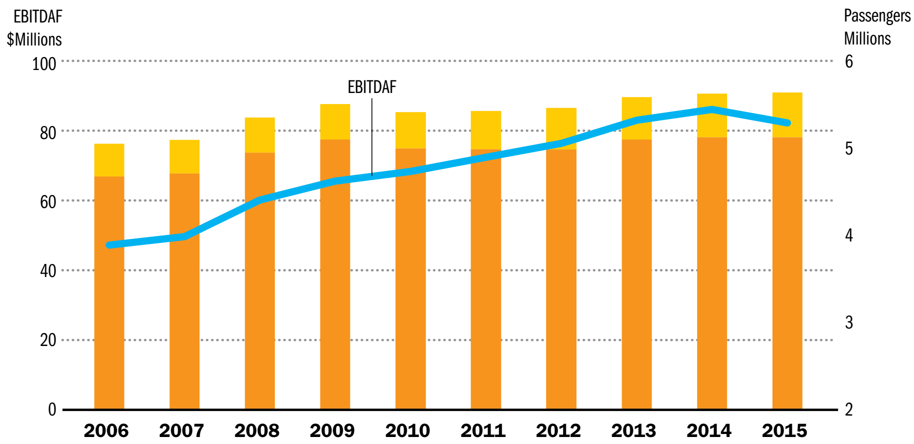
Year ended 31 March

Over the decade EBITDAF rose from $47 million to $82 million

Passenger numbers lifted by 885,000 comprising 17% more domestic and 37% more international

International passengers

Domestic passengers



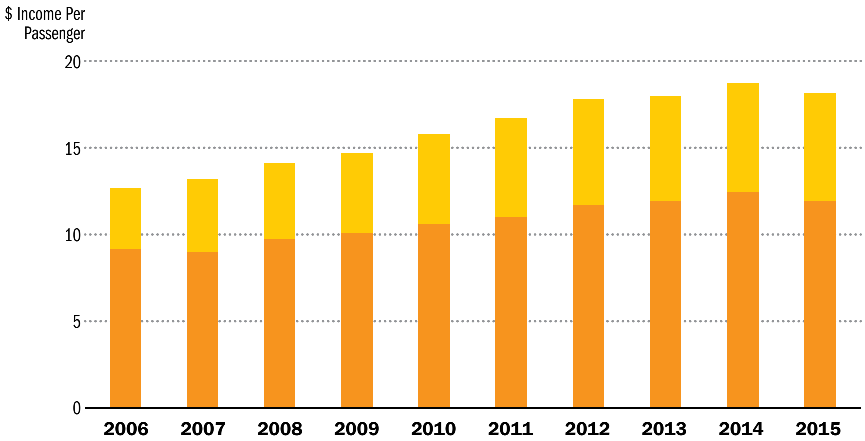
Aeronautical & Services Income per Passenger

Year ended 31 March

Wellington Airport's 46% increase in EBITDAF/Passenger (to $15.04) reflects better passenger services, a doubling of property income, and good cost control. Airline charges per passenger were almost static in real terms over the decade

Services income

Aeronautical income

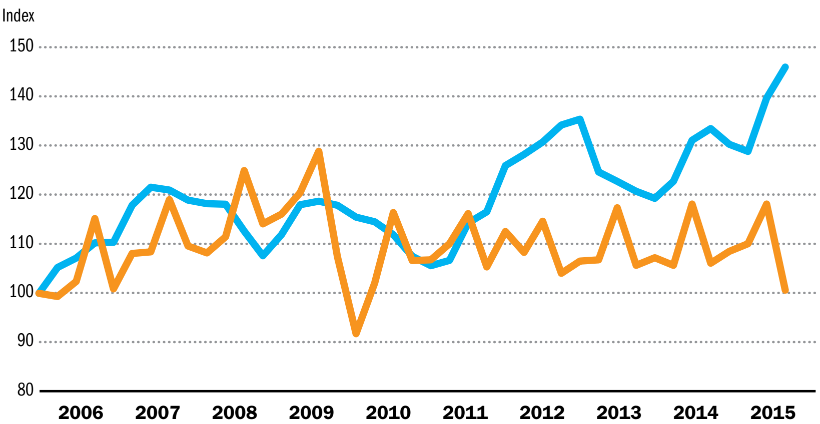


The Cost of Travel

The last decade has been a game of two halves as regards air travel costs for Kiwis. For five years domestic and international fares moved in unison, but since December 2010 Statistics New Zealand figures show that domestic air travel has become 44% relatively more expensive than international travel

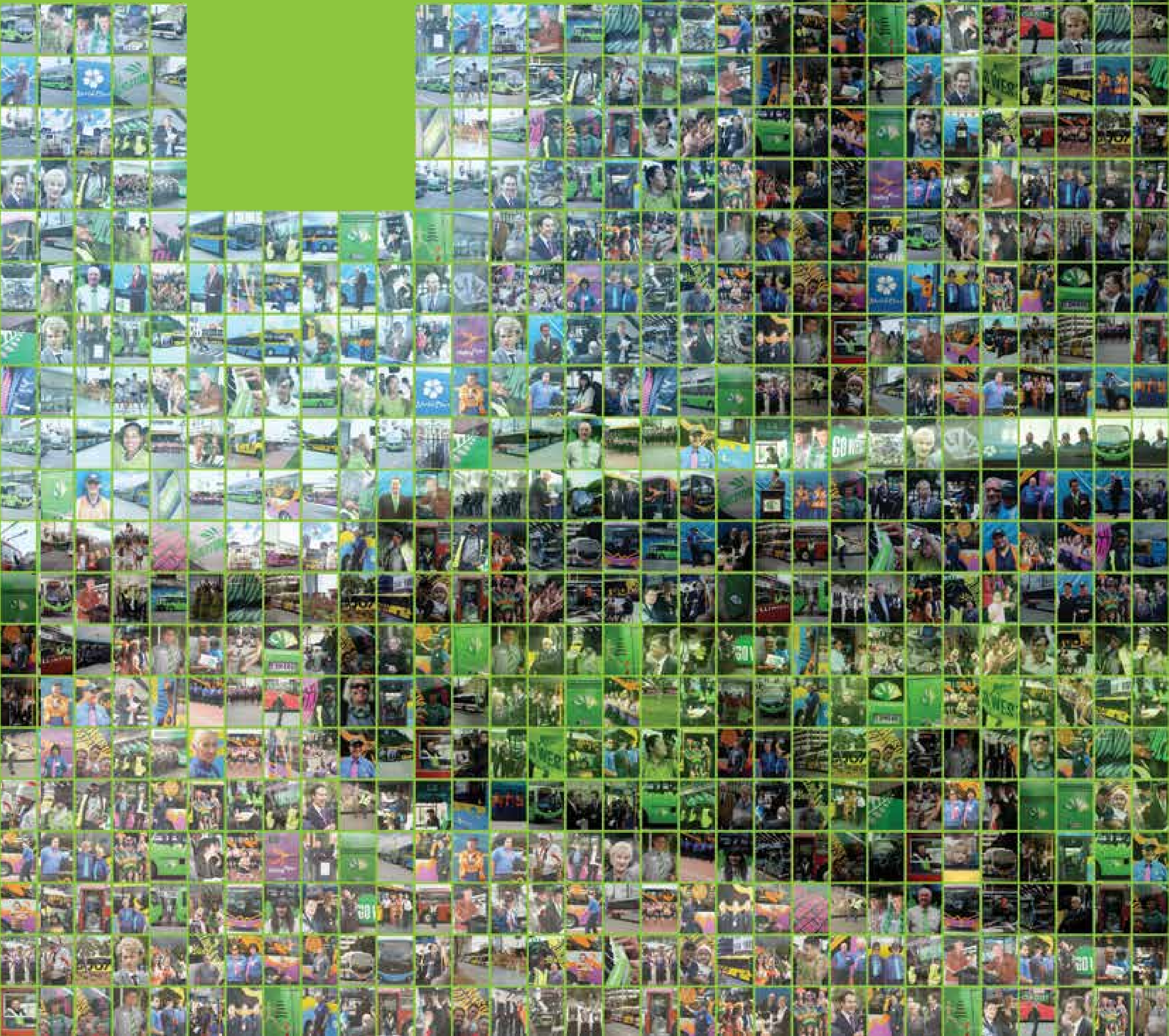
Domestic air travel cost index

International air travel cost index

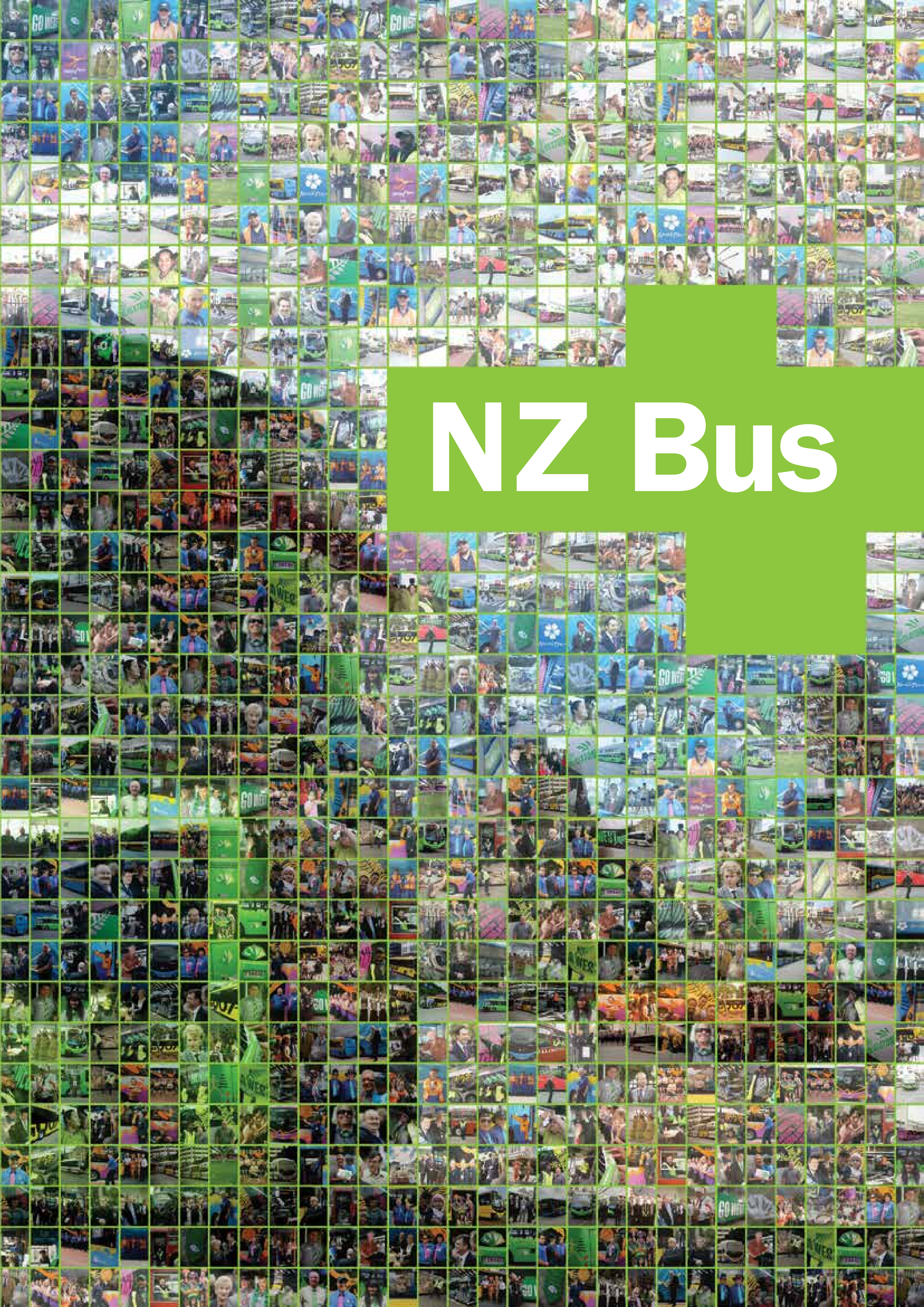


Statistics New Zealand

10th year of ownership, a decade of achievement. 33% passenger increase on Auckland services. Average fares down 13% in real terms. No increase in real costs per passenger. New long-term contracts will provide the opportunity for the next decade



NZ Bus



NZ Bus

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

In both regions NZ Bus played its part with better buses and driver training and improved systems. Auckland's much superior growth rate reflects Auckland Transport's network wide investment and focus on lifting patronage.

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

	FY2015	FY2011	Change
Auckland passengers	39,888,455	36,475,026	9.4%
Wellington/Hutt passengers	20,536,828	20,359,263	0.9%
Average fare/pax	$2.18	$2.06	5.8%
Average contract income/pax	$1.52	$1.41	7.8%
Average operating cost/pax [1]	$3.16	$2.90	8.6%

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

Over the five year period consumer prices rose 9% and average hourly wages 14%. Wellington/Hutt's population rose by 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 support and public money.

However, at least one positive regulatory change is due for bus public transport. Over the next year new contracts will finally be implemented after literally a decade of wrangling. The contract uncertainty has probably 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 rate payers' problem.

Under the new regime a successful operator will provide a safe, reliable, low cost service and this is the focus of NZ Bus management.

FY2015 EBITDAF was reduced by $5 million due to one off initiatives and non-recurring costs associated with preparing for the new contracting regime.

NZ Bus achieved the ACC's highest standard of safety accreditation.

Year Ended 31 March	2015	2014
Patronage Auckland	39,888,455	37,591,015
Patronage Wellington/Hutt	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 spend	$15.3m	$68.1m
Infratil's holding value [1]	$285.8m	$303.1m

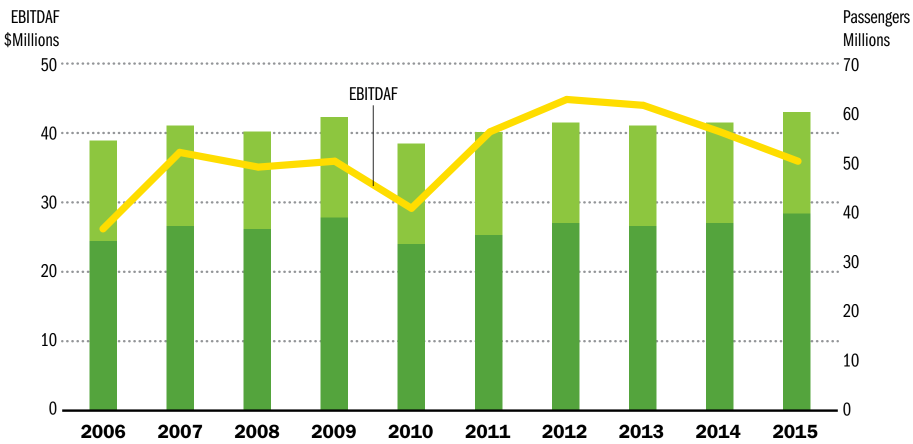
1 Infratil's share of net assets excluding cash and deferred tax at period end

EBITDAF & Passengers

Year ended 31 March

Over the decade passenger trips were stable in Wellington/Hutt, while in Auckland they increased 17% (excluding services NZ Bus no longer provides, Auckland growth was 33%)

By coincidence EBITDAF per passenger trip was the same in 2006 as in 2015, which in both cases was unsatisfactory



Passengers – Wellington/Hutt

Passengers – Auckland

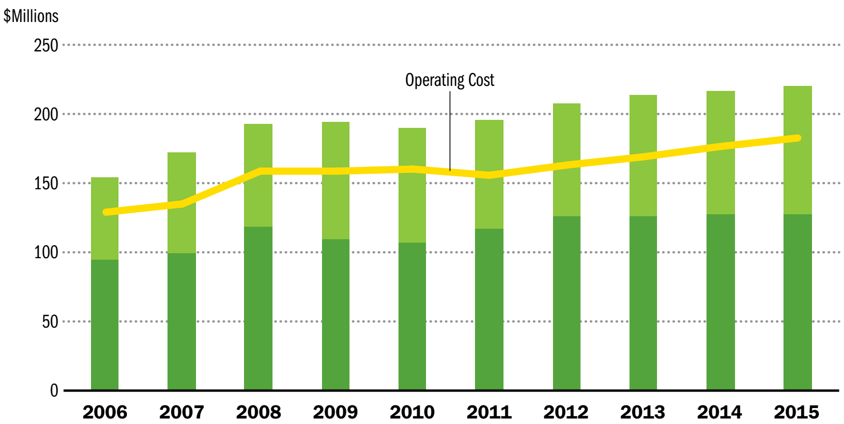
Revenue & Costs

Year ended 31 March

Since 2006 total fare income has risen 26% (almost exactly the same as the CPI) while the average individual fare has risen less than half the CPI at 12%

Contract income is up 53% or 37% per passenger

Costs per passenger are unchanged in real terms from a decade ago



Passenger income

Contract income

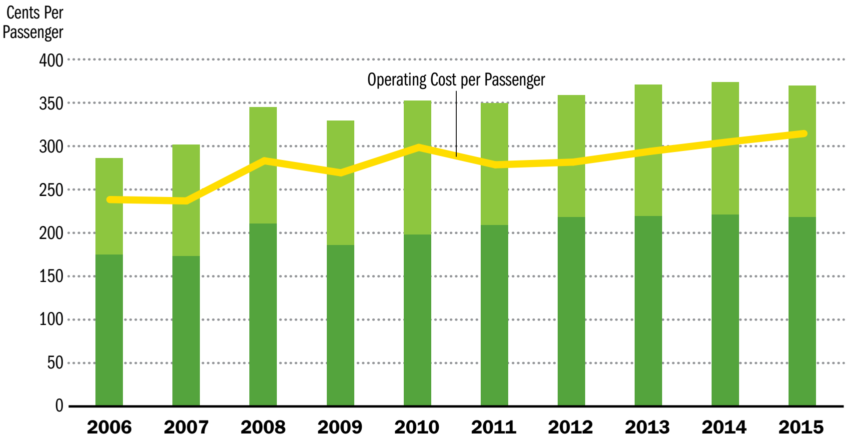
Income & Costs per Passenger

Year ended 31 March

Per passenger, NZ Bus's contract income has risen from $1.11 to $1.52/pax

Passenger income has increased from $1.94 to $2.18/pax

Operating costs per passenger have risen from $2.59 to $3.24 ($3.16 if FY2015 one off costs are excluded)



Contract income/passenger

Passenger income/passenger

Other Investments

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 and declared dividends of 24.2 cents per share up from 22 cents per share 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.

Otherwise Z reported higher sales, margins and ancillary income as a result of its extensive capital spending programme over the last five years (which has averaged $63 million per annum). Z is on track to generate up to a further $40 million in EBITDAF gains from its various improvement projects.

Subsequent to balance date, Z announced that, subject to regulatory approval, it will acquire the New Zealand downstream operations of Chevron for $785 million. This would increase Z's earnings and allow significant cost savings.

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 5% per annum capacity growth.

The Company's total development pipeline comprises 1,089 units and 370 care beds, and additional land holdings are being sought 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 expects to receive from the re-occupation of all its units in due course) up from $124,000 a year prior.

RetireAustralia

(50% Infratil ownership)

Over the three months to 31 March 2015 RetireAustralia delivered to the acquisition forecast with EBITDAF of A$6.6 million and 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. (NB: to reconcile these figures to those shown elsewhere in this report divide the amounts by 2 to reflect Infratil's 50% ownership).

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.

After 31 March RetireAustralia refinanced its A$250 million of medium term debt facilities which will reduce its interest cost.

Two independent directors were appointed to assist RetireAustralia expedite development plans and to expand its care offering, while a new Chief Executive is being sought to replace Tim Russell, the founding CEO, who has stepped into a consultancy role.

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 completed 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 land use and values are changing which makes it a challenge to minimise the cost of bus depots, on the one hand, while maximising the value of the land on the other hand. The redevelopment of the Kilbirnie and Auckland City bus depots are particular goals for 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 industry's 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 those 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. Whilst 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 value of Infratil's stake was unchanged at NZ$76.7 million.

Australian Social Infrastructure Partners Fund (ASIP)

Australian state and federal government commitment to use Public-Private Partnership funding for schools, hospitals, roads, etc. is expected to provide investment opportunities that offer attractive risk/return terms. However, the technical complexity of the projects requires specialist expertise so Infratil has chosen to progress its investments through ASIP.

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

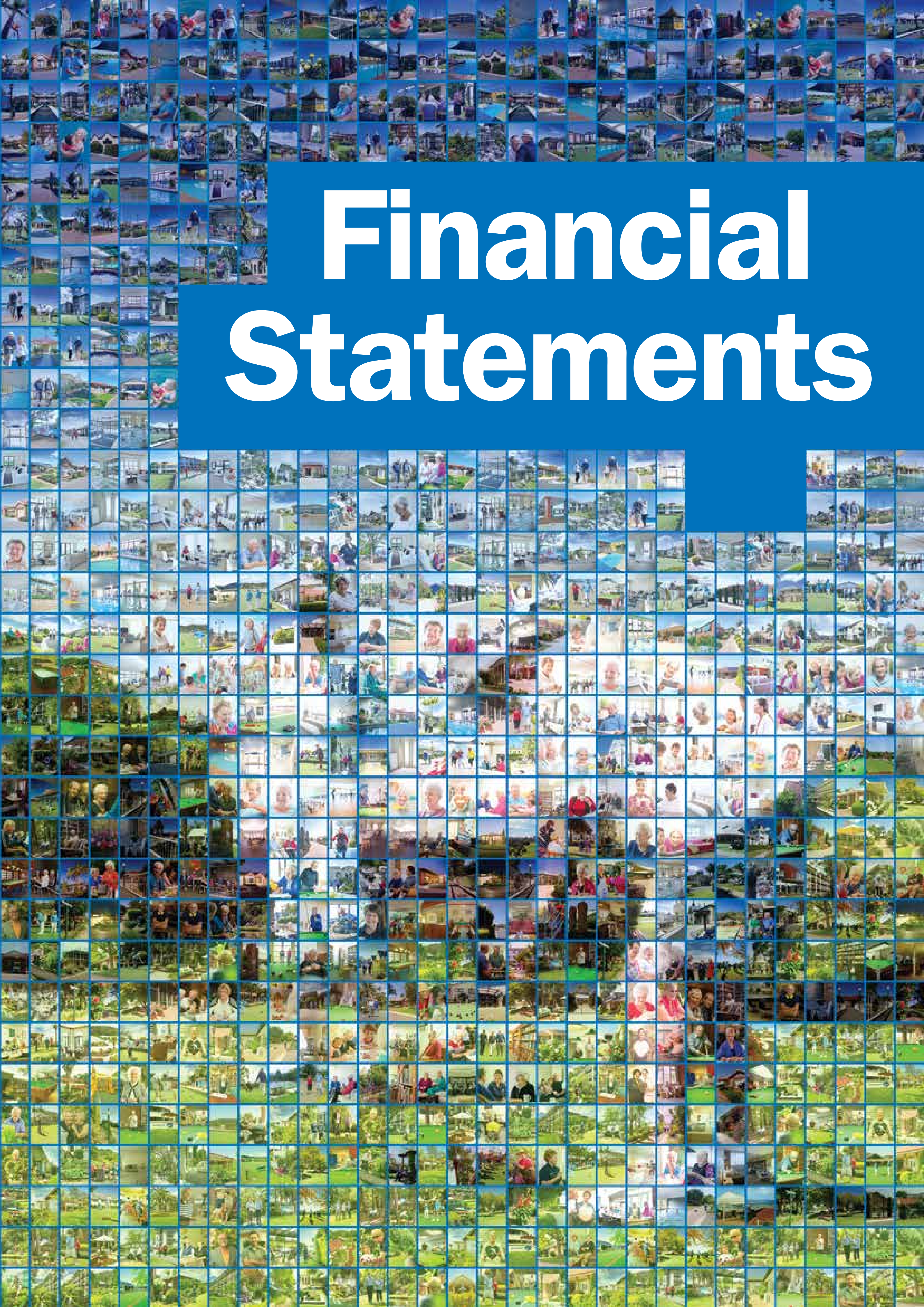
The two which were successful, were the A$232 million Queensland Aspire Schools initiative and the A$1,850 million Royal Adelaide Hospital. Construction of the schools is now complete and the Queensland government is making distributions to capital providers. The Hospital is expected to be commissioned 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 on this capital.

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 a role with additional projects.

Financial Statements



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 Gerry

Alison Gerry
Director

Mark Tume

Mark Tume
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 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 $Millions	Revaluation reserve $Millions	Foreign currency translation reserve $Millions	Hedge/ other reserve $Millions	Retained earnings $Millions	Total $Millions	Non-controlling $Millions	Total equity $Millions
Balance as at 1 April 2014	369.3	540.1	(46.0)	9.5	246.4	1,119.3	916.6	2,035.9
Total comprehensive income for the 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 2014

Attributable to equity holders of the Company

	Capital $Millions	Revaluation reserve $Millions	Foreign currency translation reserve $Millions	Hedge/ other reserve $Millions	Retained earnings $Millions	Total $Millions	Non-controlling $Millions	Total equity $Millions
Balance as at 1 April 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

Notes to the
Financial Statements

For the year ended 31 March 2015

(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 42 to 83 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.

	Notes	2015 $Millions	2014 $Millions
Net surplus for the year from continuing operations		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 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 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 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 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.

	2014 $Millions
Results of Infratil Airports Europe *(classified as discontinued)*	
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 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

	Notes	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**

		2015 $000's	2014 $000's
Fees paid to the Group auditor			
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

2015	Assets $Millions	Liabilities $Millions	Net $Millions
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	Assets $Millions	Liabilities $Millions	Net $Millions
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

2015	Land and civil works $Millions	Buildings $Millions	Vehicles, plant and equipment $Millions	Capital work in progress $Millions	Metering $Millions	Generation Plant (renewable) $Millions	Generation Plant (non- - renewable) $Millions	Total $Millions
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**	**-**	**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	Land and civil works $Millions	Buildings $Millions	Vehicles, plant and equipment $Millions	Capital work in progress $Millions	Metering $Millions	Generation Plant (renewable) $Millions	Generation Plant (non renewable) $Millions	Total $Millions
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 p.a.	$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 m^2, with a weighted average of $4,050 per m^2	+/- $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 m^2, with a weighted average of $1,364 per m^2	
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 $Millions	Recognised in OCI $Millions	Total $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 $Millions	Recognised in OCI $Millions	Total $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 ended 31 March 2015 (2014: none).

Revalued assets at deemed cost

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

2015	Cost $Millions	Assets under construction $Millions	Accumulated depreciation $Millions	Net book value $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 $Millions	Assets under construction $Millions	Accumulated depreciation $Millions	Net book value $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 Cost or valuation	Lease agreements/ software $Millions	Customer acquisition costs $Millions	Total $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 Cost or valuation	Lease agreements/ software $Millions	Customer acquisition costs $Millions	Total $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

	2015 $Millions	2014 $Millions
Investments in associates are as follows:		
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**

	2015 $Millions	2014 $Millions
Equity accounted earnings of associates are as follows:		
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 (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 (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 $Millions	Contractual cash flows $Millions	6 months or less $Millions	6-12 months $Millions	1 to 2 years $Millions	2 to 5 years $Millions	5 + years $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	31.0	28.4
100 bp decrease	(32.7)	(29.0)
Other comprehensive income		
100 bp increase	0.1	1.0
100 bp decrease	(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

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% (March 2014: 4.1% to 5.2%)

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

Fair value hierarchy

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

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

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

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	Level 1 $Millions	Level 2 $Millions	Level 3 $Millions	Total $Millions
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

Subsidiaries	2015 Holding	2014 Holding	Principal activity
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.

	Trustpower	Wellington Airport	NZ Bus	Infratil Energy Australia	Infratil Airports Europe	All other segments and corporate	Eliminations	Total from Continuing Operations
2015	**New Zealand $Millions**	**New Zealand $Millions**	**New Zealand $Millions**	**Australia $Millions**	**UK $Millions**	**New Zealand $Millions**	**$Millions**	**$Millions**
Segment revenue	993.5	108.3	229.8	740.3	-	160.5	(452.7)	1,779.7
Share of earnings 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 $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 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.

	New Zealand	Australia	United Kingdom	Eliminations	Total from Continuing Operations
2015	**$Millions**	**$Millions**	**$Millions**	**$Millions**	**$Millions**
Segment revenue	1,362.8	869.6	-	(452.7)	1,779.7
Share of earnings 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 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

	2015 $Millions	2014 $Millions
Capital commitments		
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:

	Tax Payment $Millions	Interest Expense $Millions	Total $Millions
Additional amount owed to Inland Revenue:			
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).

	2015 $Millions	2014 $Millions
Key management personnel remuneration comprised:		
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
RetireAustralia	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.

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 34 to 83. 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 34 to 83 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

Corporate Governance

March 2015

Role of the Board

The Board of Directors of Infratil is elected by the shareholders to supervise the management of Infratil. The day to day management responsibilities of Infratil have been delegated to Morrison & Co Infrastructure Management Limited ("MCIM" and "the Manager"). The Board establishes Infratil's objectives, overall policy framework within which the business is conducted and confirms strategies for achieving these objectives. The Board also monitors performance and ensures that procedures are in place to provide effective internal financial control.

The Board's Charter defines the respective roles of the Board and Management. The Board Charter reflects the sound base the Board has developed for providing strategic guidance for Infratil and the effective oversight of the Manager, and management of subsidiaries.

The Board is committed to undertaking its role in accordance with internationally accepted best practice within the context of Infratil's business. The Board also takes account of Infratil's listing on both the NZSX and ASX. Infratil's corporate governance practices reflect and satisfy the NZX Corporate Governance Best Practice Code ("NZX Code") and the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations with 2010 Amendments, and the ASX Corporate Governance Council's Corporate Governance Principles & Recommendations 3rd Edition (together "the ASX Principles"), other than in the following four areas:

- Infratil has not established separate Director Nomination or Remuneration Committees. The Board considers that it is properly dealing with Directors nominations and remuneration at the full Board level;
- The Board has not set measurable objectives for achieving gender diversity and therefore does not assess these objectives or the progress against them. The Board considers that a merit based approach is the only appropriate approach for selection and promotion of employees and executives, and for determining the composition of the Board and as such has not set specific targets for gender diversity;
- The Audit and Risk Committee is not made up only of non-executive Directors as the Board considers that it is practical to include an executive Director given the relatively small size of the Board. In addition, the Board considers that the inclusion of an executive Director on the Audit and Risk Committee provides balance and additional valuable insights to its processes; and
- The New Zealand Companies Act 1993 requires the disclosure of all remuneration payable over $100,000 per annum in $10,000 bands. As the company must comply with this obligation, it has chosen not to also make the prescribed detailed disclosure of the remuneration paid to key management personnel information as is considered best practice under the ASX Principles.

The day to day management responsibilities of Infratil have been delegated to the Manager of Infratil. Infratil's constitution and each of the charters and policies referred to in this Corporate Governance section are available on the corporate governance section of Infratil's website – www.infratil.com.

Role of Management

All Board authority conferred on the Manager is delegated through the Chief Executive appointed by the Manager. The Board determines and agrees with the Manager specific goals and objectives, with a view to achieving the strategic goals of Infratil. Between Board meetings, the Chairman maintains an informal link between the Board and the Manager, and is kept informed by the Manager on all important matters. The Chairman is available to the Manager to provide counsel and advice where appropriate. Decisions of the Board are binding on the Manager. The Manager is accountable to the Board for the achievement of the strategic goals of Infratil. At each of its Board meetings, the Board receives reports from or through the Manager including financial, operational and other reports and proposals.

Board Membership

The number of Directors is determined by the Board, in accordance with Infratil's constitution, to ensure it is large enough to provide a range of knowledge, views and experience relevant to Infratil's business. The Board considers that the roles of Chairman and Chief Executive must be separate.

The Board currently comprises five non-executive Directors including the Chairman and one executive Director, with four of these Directors independent Directors (including the Chairman) and two non-independent Directors. During the year under review the Board met seven times with a full agenda and four times with a limited agenda.

Attendance at Board meetings was as follows:

M Tume	11
H J D Rolleston	11
D P Saville	10
P Gough	11
A Gerry (appointed 11 July 2014)	9
M Bogoievski	10
A Muh (alternate to D P Saville)	8

The composition of the Board, experience and Board tenure are set out in the Board biographical information section earlier in this Annual Report. Mr Saville has an interest in an entity which is a substantial shareholder in Infratil, and Mr Saville and Mr Bogoievski have interests in MCIM which has a Management Agreement with Infratil.

In judging whether a Director is independent the Board has regard to the independence guidelines set out in the Board Charter, and the NZX and ASX Listing Rules. In accordance with those guidelines, immaterial dealings between a Director and Infratil or its substantial shareholders would be ignored when determining whether or not they are independent (that is, dealings that could not reasonably be expected to influence him or her in making decisions as a Director). Directors disclose all interests and any related party matters to the Board.

As noted on page 3 of the annual report, Mr Tume is a Member of the Board of the Guardians of NZ Superannuation. Infratil has co-invested with the NZ Superannuation Fund in relation to two investments, being Z Energy Limited (which Infratil and NZ Superannuation Fund currently own 20% each) and RetireAustralia (which is owned 50% by Infratil and 50% by NZ Superannuation Fund via a joint venture arrangement). Further details about these arrangements are set out on page 30 of the annual report under Other Investments. The Board considers that the relationships do not compromise Mr Tume's independence as a Director because his role on the Board of the Guardians involves governance and policy setting rather than investment decisions and, further, he does not participate in any discussions that the Guardians have relating to Infratil or any of their joint investments.

In accordance with Infratil's constitution one third, or the number nearest to one third, of the Directors (excluding any Director appointed since the previous annual meeting) retire by rotation at each annual meeting. The Directors to retire are those who have been longest in office since their last election. Directors retiring by rotation may, if eligible, stand for re-election.

The Board considers new Director nominations, the induction of Directors and succession planning for Directors. The skills and capabilities of the Board are continually assessed through the Chairman and the Board, including potential gaps in skills and experience. Infratil has not developed a Board skills matrix due to the relatively small size of the Board (six Directors) and the Directors being well known to each other. Potential candidates are identified through Infratil's business associations, its Board's extensive network of business associates, and professional intermediaries. Nominations for Directors are also made to Infratil, either through the Chairman, an existing Director, or through an Infratil officer, and considered first by the Chairman, and then discussed with the Board. Open and frank conversations occur in the consideration of new Directors including who may be available and the skills and capabilities sought to add value to Infratil's businesses and strategic objectives. The key mix of skills and diversity that the Board is looking to achieve when assessing a new Director include:

- Passion to create a successful New Zealand based business;
- Support for the Infratil model;
- Ability to work with the current Board and external manager;
- High energy levels, ability to influence and act as a catalyst; and
- Board and Chairman succession.

Specific attributes that are looked for to complement the above factors include:

- Relevant experience within core Infratil sectors;
- Relevant experience within existing and potential Infratil geographies;
- A connection with New Zealand; and
- A future-focused orientation.

Nominations will be put to the Annual Meeting in accordance with Infratil's constitution and the relevant legislation and listing rules. The filling of casual vacancies must be approved by the Board and approved by shareholders at the next general meeting.

Directors' Remuneration

The Board determines the level of remuneration paid to Directors within the amounts approved by Shareholders (that is, from the approved collective pool). Non-executive and executive Directors are paid a basic fee as ordinary remuneration and are paid, as additional remuneration, an appropriate extra fee as Chairman or member of a Board Committee and an appropriate extra fee for any special service as a Director as approved by the Board. The Chairman is paid a level of fees appropriate to the office. Remuneration is reviewed annually by the Board and fees are reviewed against fee benchmarks in New Zealand and Australia and take into account the size and complexity of Infratil's business.

In addition, Board members are entitled to be reimbursed for costs directly associated with the performance of their role as Directors, including travel costs, and the Chairman approves all Directors' expenses, and the Chair of the Audit and Risk Committee approves the Chairman's expenses.

Mr M Bogoievski is the only executive director. He receives no remuneration from Infratil for his role as Chief Executive. His remuneration is paid by the Manager.

Directors' Shareholding

Under the constitution Directors are not required to hold shares in Infratil. However, $10,000 of the Directors fees for non-executive Directors, other than Duncan Saville, are generally paid through the issue of shares to those Directors. All Directors either hold shares themselves or shares are held by organisations to which they are associated parties, in recognition of the benefits of aligning Directors' interests with those of shareholders. Directors will not normally make investments in listed infrastructure or utilities securities in areas targeted by Infratil.

Audit and Risk Committee

The Board has established an Audit and Risk Committee comprising of two independent Directors being Ms A Gerry (Chair of the Audit & Risk Committee) and Mr M Tume, and one non-independent Director, being Mr M Bogoievski, with attendances by appropriate MCIM representatives.

The qualifications of the members of the Audit and Risk Committee are shown in the Board biographical information section of this Annual Report.

The function of the Audit and Risk Committee is to oversee financial reporting, accounting policies, financial management, internal control systems, risk management system, systems for protecting assets and compliance. The Committee keeps under review the scope and results of audit work, its cost effectiveness and performance, independence and objectivity of the auditors. It also reviews the financial statements and the announcement to the NZX and ASX of financial results. The Audit and Risk Committee Charter is available on the Infratil website. During the year under review the Audit and Risk Committee met five times.

Attendance at Audit and Risk Committee meetings was as follows:

	A Gerry	M Tume	M Bogoievski	P Gough
Number of meetings attended	4	5	5	2

The Audit and Risk Committee receives regular reports from the Manager including reports on financial and business performance, risk management, financial derivatives exposures and accounting and internal control matters.

Internal Financial Control

The Board has overall responsibility for Infratil's system of internal financial control. Infratil does not have a separate internal audit function, however the Directors have established procedures and policies that are designed to provide effective internal financial control. Annual budgets, forecasts and reports on the strategic direction of Infratil are prepared regularly and reviewed and agreed by the Board. Financial and business performance reports are prepared monthly and reviewed by the Board throughout the year to monitor performance against financial and non-financial targets and strategic objectives.

Risk Management and Compliance

The Audit and Risk Committee also has a function of reviewing management practices in relation to identification and management of significant business risk areas and regulatory compliance. Formal systems have been introduced for regular reporting to the Board on business risk, including impacts and mitigation strategies and compliance matters. A risk management and compliance policy framework, which can be found on the Infratil website, is required as part of the Audit and Risk Committee Charter and is reviewed annually.

The Manager (Infratil Chief Executive and Chief Financial Officer) is required to, and has confirmed to the Audit and Risk Committee and Board in writing that, in their opinion:

- Financial records have been properly maintained and the Company's financial statements present a true and fair view, in all material respects, of the Company's financial condition, and operating results are in accordance with relevant accounting standards;

- The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice and comply with International Financial Reporting Standards and other applicable financial reporting standards for profit-oriented entities;
- This opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively; and
- That system of risk management and internal control is appropriate and effective internal controls and risk management practices are in place to safeguard and protect Infratil's assets, to identify, assess, monitor and manage risk, and identify material changes to Infratil's risk profile.

The Audit and Risk Committee is also responsible for the selection and appointment of the external auditor which is included within the External Audit Relationship section of the Audit and Risk Committee Charter, and ensuring that the external auditor or lead audit partner is changed at least every five years.

Directors' and Officers' Insurance

Infratil has arranged Directors' and Officers' liability insurance covering Directors acting on behalf of Infratil. Cover is for damages, judgements, fines, penalties, legal costs awarded and defence costs arising from wrongful acts committed while acting for Infratil. The types of acts that are not covered are dishonest, fraudulent, malicious acts or omissions, wilful breach of statute or regulations or duty to Infratil, improper use of information to the detriment of Infratil, or breach of professional duty.

Independent Professional Advice

With the approval of the Chairman, Directors are entitled to seek independent professional advice on any aspect of the Directors' duties, at Infratil's expense.

Going Concern

After reviewing the current results and detailed forecasts, taking into account available credit facilities and making further enquiries as considered appropriate, the Directors are satisfied that Infratil has adequate resources to enable it to continue in business for the foreseeable future. For this reason, the Directors believe it is appropriate to adopt the going concern basis in preparing the financial statements.

Board Performance

The Board as a whole, its Audit and Risk Committee and individual Directors are subject to a performance appraisal from time to time using a corporate governance best practice model. Annually, the Chairman also initiates a review with each Director and a collective review of Board performance. Appropriate strategies for personal and collective improvement are then agreed and actioned. No reviews have been undertaken in the current reporting period, however reviews consistent with the process described above are currently underway.

Disclosure and Shareholder and Other Stakeholder Communications

Infratil is committed to promoting investor confidence by providing forthright, timely, accurate, complete and equal access to information, and to providing comprehensive continuous disclosure to shareholders and other stakeholders, in compliance with the NZSX/NZDX and ASX Listing Rules. All shareholder communications and market releases are subject to review by the Manager (including Chief Executive, Chief Financial Officer and Legal counsel), and information is only released after proper review and reasonable inquiry. Full year and half year results releases are also approved by the Audit and Risk Committee and the Board.

Infratil aims to communicate effectively, give ready access to balanced and understandable information about Infratil and corporate proposals and make it easy to participate in general meetings. Infratil seeks to ensure its shareholders are appropriately informed on its operations and results, with the delivery of timely and focused communication, and the holding of shareholder meetings in a manner conducive to achieving shareholder participation. To ensure shareholders and other stakeholders have access to relevant information Infratil:

- holds regular investor road shows, and sends to interested parties the dates and invitations to attend;
- sends shareholders and bond holders its annual and half year review which is a summary of Infratil's operating and financial performance for the relevant period;
- ensures its website contains media releases, full year and half year financial information and presentations, current and past annual reports, dividend histories, notices of meeting, details of Directors and the Manager, a list of shareholders' frequently asked questions and other information about Infratil;
- makes available printed half year and annual reports and encourages shareholders to access these documents on the website and to receive advice of their availability by email;
- publishes press releases on issues/events that may have material information content that could impact on the price of its traded securities and sends email updates to interested stakeholders;
- webcasts its half year and full year results so that a wide group of interested parties can review and participate in discussions on performance, and advises interested parties of the dates and how to participate in the webcast; and
- provides additional explanatory memoranda where circumstances require.

Shareholder meetings are generally held in a location and at a time which is intended to maximise participation by shareholders. Meetings are typically alternated between Wellington and Auckland, or held at other major centres. Full participation of shareholders at the annual meeting is encouraged to ensure a high level of accountability and identification with Infratil's strategies and goals. Shareholders have the opportunity to submit questions prior to each meeting and the Manager, senior management of subsidiary companies and auditors are present to assist in and provide answers to questions raised by shareholders. There is also an opportunity for informal discussion with Directors, the Manager and senior management for a period after the meeting concludes.

Infratil supports the efforts of the New Zealand Shareholders' Association ("NZSA") to raise the quality of relations between public companies and their shareholders. Shareholders wishing to learn more about the NZSA can find information on the association's website (http://www.nzshareholders.co.nz). While Infratil supports the general aims and objectives of the NZSA, its specific actions and views are not necessarily endorsed by Infratil, or representative of Infratil's view.

Share Trading Policy

Infratil has a share trading policy applicable to Directors, the Manager, officers and all employees, which can be found on Infratil's website. The policy includes a fundamental prohibition on insider trading and obligations of confidentiality when dealing with material information. The policy applies to ordinary shares and debt securities issued by Infratil.

Code of Conduct and Ethics Policy

Infratil has always required the highest standards of honesty and integrity from its Directors, Manager and employees. This commitment is reflected in Infratil's Code of Conduct and Ethics Policy, which can be found on Infratil's website. The Code of Conduct and Ethics Policy recognises Infratil's commitment to maintaining the highest standards of integrity and its legal and other obligations to all legitimate stakeholders. The policy applies to Directors, the Manager and all employees.

The policy sets the ethical and behavioural standards and professional conduct for which Directors, the Manager and employees of Infratil and its subsidiaries are expected to conduct their work life. Failure to follow the standards provided in this Code will result in the appropriate staff or other performance management practices being invoked and may lead to disciplinary action including dismissal.

Diversity Policy

Infratil has established a diversity policy for the Group whereby the value of diversity is recognised as beneficial to decision making, improving and increasing corporate and shareholder value and enhancing the probability of achieving Infratil's objectives ("the Principle"). Infratil ensures that it has strategies, initiatives and practices to promote the Principle. Management monitors, reviews and reports to the Board on Infratil's progress under this Policy. The Board has evaluated Infratil's performance under this policy as satisfactory.

With respect to gender diversity, the Board considers that a merit based approach is the only appropriate approach for selection and promotion of employees and executives, and for determining the composition of the Board and as such has not set specific targets for gender diversity.

At 31 March 2015, the Infratil Board consisted of five male Directors and one female Director (31 March 2014: five male Directors and no female Directors).

The following tables provide the proportion of women employees in the organisation, women in senior executive positions and women on the Board (senior executives are defined as a CEO or CEO direct report, or a position that effectively carries executive responsibilities):

2015 Position	Number	Proportion
Board	1	17%
Senior Executive Positions[1,2]	19	21%
Organisation	1,913	42%

2014 Position	Number	Proportion
Board	0	0%
Senior Executive Positions[1,2]	14	18%
Organisation	1,173	32%

[1] Senior Executive Positions include MCIM

[2] The proportion of women in Senior Executive Positions (Infratil Group excluding associates) was 10 executives (17%) in 2015 and 11 executives (16%) in 2014

Executive Remuneration

Infratil's senior management (excluding staff of MCIM) is remunerated with a mix of:

- Base salary and benefits;
- Short term performance incentives; and
- Long term performance incentives.

The determination of fixed remuneration is based on responsibilities, individual performance and experience, and market data. At-risk/variable remuneration comprises short term incentives and, for senior and key employees, long-term incentives. Infratil's executives are employed by subsidiary companies, and executive remuneration policies are determined and approved by the subsidiary company boards within high level principles established by the Infratil Board. Incentives are directly related to the performance area controlled by the executive, while longer term incentives are intended to align with shareholder interests. Remuneration of executives of subsidiary companies is overseen by non-executive directors of those subsidiary companies.

Performance reviews of executives are carried out regularly and at least annually, and involve feedback by the Board on executive performance of the Manager, and subsidiary Directors' review of subsidiary company's Chief Executive and executives' performance. Performance reviews include the setting of goals and objectives at the beginning of the year, and reviewing the achievement of those goals and objectives at the end of the year. Performance measures will normally include both qualitative and quantitative measures. Performance evaluations have taken place in accordance with this process during the reporting year.

Short term incentives

In the Infratil Group, variable remuneration recognises and rewards high-performing individuals whose contribution supports business goals and objectives, and who meet their individual goals agreed with the Board or their Chief Executive (as appropriate).

Short term incentives (STIs) comprise cash payments based on performance measured against key performance indicators (KPIs). Different levels of incentives are determined reflecting the nature of the roles in Infratil. KPIs may comprise entity or individual business, team and individual targets. These targets are designed to create goals that will support an achievement and performance-oriented culture. The STI programme is designed to differentiate reward for exceptional, outstanding and good performance.

Long term incentives

The principal objective of long term incentives is to align executives' performance with shareholder interests and provide equity-based incentives that help retain valuable employees. Long term incentive arrangements vary within Infratil depending on circumstances and jurisdiction, and include both cash payments based on performance and value add over a period (generally three years), or rights to participate in the Infratil Executive Scheme, which is outlined in the Financial Statements. In determining the allocation of shares under the Executive Share Scheme, the Infratil Board considers individual participants' performance in the preceding financial year and potential in future years. Currently participation in the LTI Scheme is limited to around 19 senior and key employees of Infratil. These employees are approved by the Infratil Board after consideration of a recommendation from subsidiary boards. The Infratil Securities Trading Policy and Guidelines requires that all executives of the Group obtain pre-approval prior to trading in Infratil securities, including options over Infratil securities, or other associated products.

Transactions which limited the economic risk of participating in any unvested entitlement under the LTI Scheme would not be approved Trustpower, an Infratil NZX listed non-wholly owned subsidiary, offer a cash settled share based payment scheme to key management personnel as part of its long term incentives. The details of this scheme are disclosed in Trustpower's 2015 Annual Report.

MCIM Management Fees

As noted earlier, Infratil is managed by MCIM, under a Management Agreement. The Management Agreement sets out the terms of the services provided by the Manager and the basis of fees, including base fees and incentive fees. Details of fees paid to the Manager are fully disclosed in the 2015 Annual Report financial statements, including:

- Note 30 – components of the Management Fee;
- Note 29 – related party disclosures in respect of MCIM and fees paid to MCIM; and
- In the statutory information section, the interests of Directors associated with MCIM, and Directors' fees.

Directors' Holding Office

The Company's Directors are:

- M Tume (Chairman);
- A Gerry;
- M Bogoievski;
- P Gough;
- H J D Rolleston;
- D P Saville; and
- A Muh (alternate to D P Saville).

The Company's directors who are also directors of Infratil subsidiary companies are listed under the Subsidiary Company Directors section.

The Company considers that Messrs HJD Rolleston, M Tume, P Gough and Ms. A Gerry are Independent Directors in terms of the New Zealand Exchange Listing Rules and the ASX Principles, and that Messrs DP Saville, M Bogoievski and A Muh, are not Independent Directors.

Entries in the Interest Register

Statement of Directors' Interests (as at 31 March 2015)

The information below is given pursuant to the New Zealand Exchange Listing Rules.

	Beneficial interests	Non beneficial interests
Shares		
A Muh	1,384,556	-
H J D Rolleston	36,332	-
D P Saville	-	38,949,418
M Tume	36,631	-
M Bogoievski	1,618,299	-
P Gough	170,565	-
A Gerry	-	-

Dealing in Securities

The following table shows transactions recorded in respect of those securities during the period from 1 April 2014 to 31 March 2015:

Director	No of securities Bought/(Sold)	Cost/(Proceeds) $
P Gough – beneficial		
On market acquisition – 25/06/14 (Director fees)	4,115	$10,000
M Tume – beneficial		
On-market acquisition – 25/06/14 (Directors fees)	4,115	$10,000
D Saville – non-beneficial		
On market disposal – 14/01/15	(10,400,000)	($30,680,000)

Use of Company Information

During the period the Board has received no notices from any Director of the Company or its subsidiaries requesting to use company information received in their capacity as a Director, which would not otherwise have been available to them.

Directors' Relevant Interests

The following are relevant interests of the Company's Directors as at 31 March 2015:

- **D P Saville**
  Director of H.R.L. Morrison & Co Group GP Limited and various companies wholly-owned by the H.R.L. Morrison & Co Group Limited Partnership
  Limited Partner of H.R.L. Morrison & Co Group Limited Partnership
  Director of ICM Limited
  Director of Vix Technology
  Director of Vix Investments
  Director of Somers Limited
  Director of Zeta Energy Pte Limited
  Director of NZ Oil and Gas Limited and subsidiaries
  Director of Touchcorp Limited
- **H J D Rolleston**
  Director of Property for Industry Limited
  Director and shareholder of Mercer Group Limited
  Director of SKY Television Network Limited
  Chairman of Simmonds Lumber Pty Limited
  Chairman of ANZCRO Pty Limited
  Director and shareholder of Matrix Security Group Ltd.
  Director of Asset Management Limited
  Director of Spaceships Limited
  Director and shareholder of Stray Limited
  Director and shareholder of Media Metro Limited
  Chairman and shareholder of Murray & Co. Limited
  Chairman and shareholder of Murray & Company Wealth Management Ltd
  Chairman and shareholder of FDJ Murray & Company Holdings Ltd
  Director and shareholder of McRaes Global Engineering Limited

- **M Tume**
  Director of Yeo Family Trustee Limited
  Director of Long Board Limited
  Director of Welltest Limited
  Member of the Board of the Guardians of NZ Superannuation Fund
  Director of New Zealand Refining Company Ltd
  Director of New Zealand Oil and Gas Limited (and various subsidiaries)
  Director of Koau Capital Partners Ltd
  Director of Rearden Capital Pty Limited
  Director of various Infratil wholly owned companies
  Director of RetireAustralia Pty Limited

- **M Bogoievski**
  Director of Zig Zag Farm Limited
  Director of Z Energy Limited
  Director of Z Energy ESPP Trustee Limited
  Director of Z Energy LTI Trustee Limited
  Director of Trustpower Limited
  Director of various Infratil wholly owned companies
  Chief Executive of the H.R.L. Morrison & Co group, and Director of H.R.L. Morrison & Co Group GP Limited and companies wholly-owned by the H.R.L. Morrison & Co Group Limited Partnership
  Limited Partner of H.R.L. Morrison & Co Group Limited Partnership

- **A Muh (alternate to Duncan Saville)**
  Executive of the H.R.L. Morrison & Co group
  Director of HRL Morrison & Co Group GP Limited
  Limited Partner of H.R.L. Morrison & Co Group Limited Partnership
  Director of HRL Morrison & Co Capital Management Limited
  Director of HRL Morrison & Co Capital Management (Int) Limited
  Director of HRL Morrison & Co (Asia) Limited
  Director of Clearpool Capital Holdings Limited
  Director of Utilico Emerging Markets Limited
  Non-Executive Chairman & Non-Executive Director of JIDA Capital Partners Limited and subsidiaries

- **P Gough**
  Partner of STAR Capital Partners
  Director of Star Asset Backed Finance Limited
  Director of Star Asset Finance Limited
  Director of Kennet Equipment Leasing Limited
  Director of European Rail Finance (GB) Limited "Eversholt Rail"
  Director of Blohm+Voss Repair GmbH
  Director of Blohm+Voss Shipyards GmbH
  Director of Ignition Credit PLC
  Member of Topaz Sarl
  Director of Gough Capital Limited
  Director of OPM Investments Limited
  Director of OPM Property Limited
  Director of Tipu Capital Limited
  Director of Ignition Credit Plc

- **A Gerry**
  Director of NZX Limited
  Director New Zealand Clearing and Depository Corporation Limited
  Deputy Chair of Kiwibank Limited
  Director of Television New Zealand Limited
  Director of Pioneer Generation Limited
  Director of Lindis Crossing Vineyard Limited
  Director of Glendora Holdings Limited
  Director of Glendora Avocados Limited
  Director of Random Walk (2010) Limited

- **All Directors (other than A Gerry)**
  Aotea Energy Limited effected, from 23 July 2013, public offering of securities insurance brokered by Marsh & McLennan Agency Limited for the benefit of Z Energy Limited, Aotea Energy Investments Limited, Aotea Energy Holdings Limited and its subsidiaries, NZSF Aotea Limited and its subsidiaries, Guardians of New Zealand Superannuation as manager and administrator of the New Zealand Superannuation Fund as shareholder of NZSF Aotea Limited, Infratil Limited and its subsidiaries, H.R.L. Morrison & Co Group Limited and its subsidiaries (subject to a professional indemnity exclusion), and the directors and employees of the foregoing. Full details of the POSI policy are available from H.R.L. Morrison & Co Limited.

Remuneration of Directors

Directors' remuneration in respect of the year ended 31 March 2015 and 31 March 2014 paid by the Company was as follows:

	Financial Year 2015 (NZD)	Financial Year 2014 (NZD)
M Tume (Chairman)	166,685	129,818
P Gough	110,454	110,256
M Bogoievski	93,239	90,798
D A R Newman	-	86,708
D P Saville	83,342	81,160
A Gerry	73,327	-
H J D Rolleston	83,342	81,160
A Muh	-	-

Directors' fees exclude GST where appropriate.

Directors' Remuneration Paid by Subsidiary Companies

Directors' remuneration for the Company's directors paid by subsidiary companies was as follows:

Infratil Director	Financial Year 2015	Financial Year 2014
DAR Newman – Wellington International Airport Limited	-	NZD 47,060
DAR Newman – Infratil Airports Europe Limited	-	GBP 20,625
M Tume – Lumo Energy Australia Pty Limited	AUD 30,079	AUD 59,192
M Tume – Infratil Energy Australia Pty Limited	AUD 5,464	AUD 10,753
M Bogoievski – Trustpower Limited	NZD 80,000	NZD 80,000

Directors' fees exclude GST or VAT where appropriate.

No other benefits have been provided by the Company or its subsidiaries to a Director for services as a Director or in any other capacity, other than as disclosed in the related party note to the financial statements, or in the ordinary course of business. No loans have been made by the Company or its subsidiaries to an Infratil Director nor has the Company or subsidiaries guaranteed any debts incurred by a Director.

Directors of Infratil Limited Subsidiary Companies

Subsidiary Company	Director of Subsidiary
Infratil Investments Limited	M Bogoievski and M Tume
Infratil Securities Limited	M Bogoievski and M Tume
Infratil 1998 Limited	M Bogoievski and M Tume
Infratil UK Limited	M Bogoievski and M Tume
Infratil Finance Limited	M Bogoievski and M Tume
NZ Airports Limited	M Bogoievski and M Tume
Infratil Australia Limited	M Bogoievski and M Tume
Swift Transport Limited	M Bogoievski and M Tume
Infratil Gas Limited	M Bogoievski and M Tume
Infratil Ventures Limited	M Bogoievski and M Tume
Infratil Energy Limited	M Bogoievski and M Tume
Infratil Energy New Zealand Limited	K Baker and M Bogoievski
Infratil Europe Limited	M Bogoievski and M Tume
Snapper Services Limited	R Phillippo and K Waddell
Infratil No. 1 Limited	M Bogoievski and M Tume
Infratil Infrastructure Property Limited	M Bogoievski, P Coman and L Petagna
New Lynn Central Limited	P Coman, A Lamb and A Young
Infratil RV Limited	M Bogoievski and M Tume (appointed 29 September 2014). Resigned – K Baker (26 September 2014)
Infratil PPP Limited	K Baker and M Bogoievski
Infratil Outdoor Media Limited	M Bogoievski
iSite Limited	P Coman and A Scotland
Aotea Energy Holdings Limited	M Bogoievski and M Tume
Aotea Energy Holdings No 2 Limited	M Bogoievski and M Tume
Aotea Energy Limited	M Bogoievski and M Tume
Aotea Energy Investments Limited	M Bogoievski and M Tume
Infratil Insurance Co Limited	M Bogoievski and M Tume
Infratil No. 5 Limited	M Bogoievski and M Tume
North West Auckland Airport Limited	T Brown and M Bogoievski
New Zealand Bus Limited	K Baker, T Brown, L Petagna and K Tempest
New Zealand Bus Finance Company Limited	K Baker, T Brown, L Petagna and K Tempest
Transportation Auckland Corporation Limited	Z Fulljames, S Thorne and S McMahon
Auckland Integrated Ticketing Limited	W Dalbeth, D Hudson, C Inwards, A Ritchie and S Thorne
Wellington City Transport Limited	Z Fulljames, S Thorne and S McMahon
North City Bus Limited	Z Fulljames, S Thorne and S McMahon
Cityline (NZ) Limited	Z Fulljames, S Thorne and S McMahon
Wellington Integrated Ticketing Limited	T Martin and S Thorne
Wellington International Airport Limited	T Brown, P Coman, S Fitzgerald, K Sutton, J Boyes and C Wade-Brown
Wellington Airport Noise Treatment Limited	M Harrington and S Sanderson
Infratil Airports Europe Limited	S Fitzgerald. Resigned – P Walker (13 December 2014)
Trustpower Limited	R Aitken, M Bogoievski, B Harker, S Knowles, G Swier and A Bickers (appointed 1 September 2014). Resigned – M Cooney (29 August 2014)
Tararua Wind Power Limited	V Hawksworth. Resigned – M Cooney (29 August 2014)
Trustpower Metering Limited	B Harker and V Hawksworth
GSP Energy Pty Limited	G Swier and V Hawksworth
Snowtown Wind Farm Pty Ltd	G Swier and V Hawksworth
Trustpower Australia (New Zealand) Limited	V Hawksworth. Resigned – M Cooney (29 August 2014)
Bay Energy Limited	V Hawksworth
Trustpower Australia Holdings Pty Limited	G Swier and V Hawksworth

Subsidiary Company	Director of Subsidiary
Trustpower Insurance Limited	A Bickers (appointed 1 September 2014) and V Hawksworth
Trustpower Renewable Investments Pty Limited	G Swier and V Hawksworth
Trustpower Market Services Pty Ltd	G Swier and V Hawksworth
Snowtown Wind Farm Stage 2 Pty Limited	G Swier and V Hawksworth
Snowtown South Wind Farm Pty Limited	G Swier and V Hawksworth
Church Lane Wind Farm Pty Limited	G Swier and V Hawksworth
Dundonnell Wind Farm Pty Limited	G Swier and V Hawksworth
Energy Direct NZ Limited	M Cooney and V Hawksworth
Rye Park Renewable Energy Pty Ltd	G Swier and V Hawksworth
Salt Creek Wind Farm Pty Ltd	G Swier and V Hawksworth
Wingeel Wind Farm Pty Limited	G Swier and V Hawksworth
Trustpower Australia Financing Partnership	G Swier and V Hawksworth
Infratil Power Pty Limited	R Crawford and R Phillippo
Perth Energy Pty Limited	R Jones, K Cao, V Busby, J Biesse and S Fitzgerald. Resigned – P Forsyth (13 May 2014)
WA Power Exchange Pty Limited	R Jones and K Cao
Western Energy Pty Limited	R Jones, K Cao, V Busby, J Biesse and S Fitzgerald. Resigned – P Forsyth (13 May 2014)
Western Energy Holdings Pty Limited	R Jones, K Cao, V Busby, J Biesse and S Fitzgerald. Resigned – P Forsyth (13 May 2014)

Directors Fees Paid by Infratil Subsidiary Companies (not otherwise disclosed in the Annual Report)

Subsidiary Company	Director of Subsidiary Company	Currency	Amount (2015 Financial Year)
Wellington International Airport Limited	Jason Boyes	NZD	52,685
Wellington International Airport Limited	Celia Wade-Brown	NZD	46,035
Wellington International Airport Limited	Tim Brown	NZD	81,840
Wellington International Airport Limited	Keith Sutton	NZD	58,311
Wellington International Airport Limited	Peter Coman	NZD	46,035
Wellington International Airport Limited	Steven Fitzgerald	NZD	52,685
NZ Bus Limited	Kevin Baker	NZD	85,927
NZ Bus Limited	Liberato Petagna	NZD	41,662
NZ Bus Limited	Tim Brown	NZD	41,662
NZ Bus Limited	Keith Tempest	NZD	41,662
Snapper Services Limited	Rhoda Phillippo	NZD	52,364
Snapper Services Limited	Kerry Waddell	NZD	35,922
Trustpower Limited	Bruce Harker	NZD	165,000
Trustpower Limited	Michael Cooney	NZD	33,333
Trustpower Limited	Geoffrey Swier	NZD	126,423
Trustpower Limited	Sam Knowles	NZD	90,000
Trustpower Limited	Richard Aitken	NZD	80,000
Trustpower Limited	Alan Bickers	NZD	46,667
iSite Limited	Andrea Scotland	NZD	25,479
iSite Limited	Peter Coman	NZD	31,172
Perth Energy Pty Limited	Paul Forsyth	AUD	5,499
Perth Energy Pty Limited	Rodney Jones	AUD	48,445
Perth Energy Pty Limited	Steven Fitzgerald	AUD	42,808
Perth Energy Pty Limited	Vaughan Busby	AUD	96,905

Subsidiary Company	Director of Subsidiary Company	Currency	Amount (2015 Financial Year)
Subsidiaries sold during the year			
Lumo Energy Australia Pty Limited	Kevin Baker	AUD	30,079
Lumo Energy Australia Pty Limited	Roger Crawford	AUD	49,299
Lumo Energy Australia Pty Limited	Mark Tume	AUD	30,079
Lumo Energy Australia Pty Limited	Chris O'Hara	AUD	30,079
Lumo Energy Australia Pty Limited	Rhoda Phillippo	AUD	30,079
Infratil Energy Australia Pty Limited	Kevin Baker	AUD	5,464
Infratil Energy Australia Pty Limited	Roger Crawford	AUD	19,124
Infratil Energy Australia Pty Limited	Mark Tume	AUD	5,464
Infratil Energy Australia Pty Limited	Chris O'Hara	AUD	5,464
Infratil Energy Australia Pty Limited	Rhoda Phillippo	AUD	5,464
PayGlobal Limited	Anthony Howard	NZD	16,667
PayGlobal Limited	Gregory Lancaster	NZD	30,000
PayGlobal Limited	Paul Weatherly	NZD	16,667
PayGlobal Pty Limited	Dal Skirving	NZD	1,250

Employee remuneration

During the year ended 31 March 2015 the following number of employees of Infratil and its subsidiaries received remuneration of at least $100,000.

Remuneration band 2015	Number of employees	Remuneration band 2015	Number of employees
$100,000 to $110,000	32	$280,001 to $290,000	3
$110,001 to $120,000	27	$290,001 to $300,000	2
$120,001 to $130,000	27	$300,001 to $310,000	1
$130,001 to $140,000	13	$310,001 to $320,000	1
$140,001 to $150,000	11	$340,001 to $350,000	1
$150,001 to $160,000	8	$350,001 to $360,000	1
$160,001 to $170,000	12	$360,001 to $370,000	1
$170,001 to $180,000	11	$370,001 to $380,000	1
$180,001 to $190,000	7	$390,001 to $400,000	1
$190,001 to $200,000	1	$410,001 to $420,000	1
$200,001 to $210,000	5	$440,001 to $450,000	2
$210,001 to $220,000	8	$520,001 to $530,000	1
$220,001 to $230,000	4	$540,001 to $550,000	2
$230,001 to $240,000	1	$570,001 to $580,000	1
$240,001 to $250,000	2	$640,001 to $650,000	1
$250,001 to $260,000	2	$660,001 to $670,000	1
$260,001 to $270,000	2	$1,040,001 to $1,050,000	1
$270,001 to $280,000	2	$1,340,001 to $1,350,000	1

Donations

The Company made donations of $0.8 million during the year ended 31 March 2015 (2014 $0.7 million).

Auditors

It is proposed that KPMG will be automatically reappointed at the annual meeting pursuant to section 200(1) of the Companies Act 1993.

New Zealand Exchange Waivers

As at and for the year ended 31 March 2015, the Company had the following waivers from the NZSX and NZDX Listing Rules:

1. A waiver from NZSX Listing Rule 9.2.1 waiving the requirement of Infratil to obtain an Ordinary Resolution from shareholders to enter into a Material Transaction (investing in Australian Social Infrastructure Partners) with a Related Party (H.R.L. Morrison & Co Group LP).
2. A waiver from NZSX Listing Rule 9.1.1 waiving the requirement of Infratil to obtain shareholder approval for a material transaction (the divestment of the Infratil Energy Australia Group).
3. A waiver from NZSX Listing Rule 9.2.1 waiving the requirement of Infratil to obtain shareholder approval for a material transaction (the divestment of the Infratil Energy Australia Group) with a related party (H.R.L. Morrison & Co Group LP) acting as lead financial advisor.
4. A waiver from NZSX Listing Rule 9.2.1 waiving the requirement of Infratil to obtain an Ordinary Resolution from shareholders to enter into a Material Transaction (acquisition of RetireAustralia and the arrangements relating to the consortium and the joint venture company) with a Related Party (New Zealand Superannuation Fund).

Australian Exchange Waivers

As at and for the year ended 31 March 2015, the Company had the following waiver from the ASX Listing Rules:

1. A waiver from ASX Listing Rule 10.1 waiving the requirement of Infratil to obtain approval of security holders to an acquisition of a substantial asset (investing in Australian Social Infrastructure Partners) from a person in a position to exercise influence (H.R.L. Morrison & Co Group LP).

Credit rating

The Company does not have a credit rating. Wellington International Airport Limited has a Standard & Poor's credit rating of BBB+ stable.

Continuing share buyback programme

The Company maintains an ongoing share buyback programme, as outlined in its 2014 Notice of Meeting. As at 20 May 2015, the Company had not bought back any shares pursuant to this programme, which allows up to 50,000,000 shares to be bought back.

Shareholder information

Infratil Limited is incorporated in New Zealand and is not subject to Chapters 6, 6A, 6B and 6C of the Australian Corporations Act 2001. The acquisition of securities in Infratil may be limited under New Zealand law by the Takeovers Code (which restricts the acquisition of control rights of more than 20% of Infratil other than via a takeover offer under the Code) or the effect of the Overseas Investment Act 2005 (which restricts the acquisition of New Zealand assets by overseas persons).

Substantial Security Holders

The following information is pursuant to Section 35(f) of the Securities Markets Act 1988.

According to notices given under the Securities Markets Act 1988, the following persons were substantial security holders in the Company as at 20 May 2015:

Ordinary shares	Securities	%
Accident Compensation Corporation*	64,945,035	11.6%
Utilico Investments Limited	38,949,418	6.9%
The Capital Group Companies, Inc.	30,423,179	5.4%

* The Accident Compensation Corporation substantial security holder notice includes the following employees who have qualified powers to exercise control of rights to vote and of acquisition or disposal – Nicholas Bagnall, Paul Robertshawe, Blair Tallott, Blair Cooper, Jason Familton, Jason Lindsay, Ian Purdy and Jonathan Davis.

The total number of voting securities of the Company on issue as at 20 May 2015 were 561,875,235 fully paid ordinary shares (excluding Infratil Treasury stock held by the Company of 4,500,000).

Twenty Largest Shareholders as at 20 May 2015

JP Morgan Chase Bank	72,222,929
Accident Compensation Corporation	63,484,092
TEA Custodians Limited	27,657,922
HSBC Nominees (New Zealand) Limited	27,192,288
Citibank Nominees (NZ) Ltd	19,753,729
HSBC Nominees (New Zealand) Limited <040-016842-230 A/C>	18,776,586
Cogent Nominees Limited	12,260,442
Hettinger Nominees Limited	12,179,103
Robert William Bentley Morrison & Robert William & Andrew James Stewart	11,082,245
National Nominees New Zealand Limited	11,075,403
New Zealand Superannuation Fund Nominees Limited	10,480,268
BNP Paribas Nominees NZ Limited	10,423,932
FNZ Custodians Limited	9,838,200
Custodial Services Limited <3 A/C>	6,727,285
JML Capital Limited	6,668,126
Forsyth Barr Custodians Limited <1-33 A/C>	6,183,842
Infratil Limited	4,500,000
Premier Nominees Limited <ING Wholesale Australasian Share Fund A/C>	4,143,603
Forsyth Barr Custodians Limited <1-17.5 A/C>	3,814,962
Morrison Nominees Limited	3,810,348
Custodial Services Limited <2 A/C>	3,151,685

In the above table, the shareholding of New Zealand Central Securities Depositary Limited (NZCSD) has been re-allocated to the applicable members of NZCSD.

Spread of Shareholders as at 20 May 2015

Number of shares*	Number of holders	Total shares held	%
1 - 1,000	1,932	1,123,591	0.2%
1,001 - 5,000	6,038	17,342,576	3.1%
5,001 - 10,000	3,415	25,360,933	4.5%
10,001 - 50,000	3,925	82,521,509	14.6%
50,001 - 100,000	384	26,984,277	4.8%
100,001 and Over	178	413,042,351	72.8%
TOTAL	**15,872**	**566,375,237**	**100.0%**

*187 shareholders hold less than a marketable parcel of Infratil shares.

Twenty Largest Infrastructure Bondholders (IFT070, IFT090, IFT150, IFT160, IFT170, IFT180, IFT190, IFT200 & IFTHA) as at 20 May 2015

FNZ Custodians Limited	53,082,766
Custodial Services Limited <3 A/C>	36,431,941
Forsyth Barr Custodians Limited <1-33 A/C>	35,626,000
Forsyth Barr Custodians Limited <1-17.5 A/C>	26,580,676
Investment Custodial Services Limited <C A/C>	21,323,100
Custodial Services Limited <2 A/C>	20,605,200
Forsyth Barr Custodians Limited <1-30 A/C>	12,107,500
Custodial Services Limited <18 A/C>	11,897,940
Custodial Services Limited <4 A/C>	8,954,000
Lynette Therese Erceg & Darryl Edward Gregory & Catherine Agnes Quinn	8,557,500
National Nominees New Zealand Limited	7,577,517
Custodial Services Limited <1 A/C>	7,557,000
Tappenden Holdings Limited	6,286,000
Forsyth Barr Custodians Limited <1 E A/C>	5,576,000
Sterling Holdings Limited	4,781,000
FNZ Custodians Limited <DRP NZ A/C>	4,653,500
Private Nominees Limited <PBNK90 A/C>	4,285,000
Forsyth Barr Custodians Limited <1-28 A/C>	3,971,666
Cogent Nominees Limited <COGN40 A/C>	3,671,000
NZ Methodist Trust Association	3,300,000

Spread of Infrastructure Bondholders (IFT070, IFT090, IFT150, IFT160, IFT170, IFT180, IFT190, IFT200 & IFTHA) as at 20 May 2015

Number of bonds	Number of holders	Total bonds held	%
1 - 1,000	6	5,500	0.0%
1,001 - 5,000	2,086	10,366,500	1.0%
5,001 - 10,000	5,167	49,572,110	5.0%
10,001 - 50,000	11,980	335,640,194	33.9%
50,001 - 100,000	1,541	128,475,685	13.0%
100,001 and Over	792	465,226,132	47.1%
TOTAL	**21,572**	**989,286,121**	**100.0%**

Consolidated Comparative Financial Review

	2015[1] $Millions	2014[1] $Millions	2013[1] $Millions	2012[1] $Millions	2011[1] $Millions	2010[1] $Millions	2009[1] $Millions	2008[1] $Millions	2007[1] $Millions	2006 $Millions
Financial Performance (31 March year ended)										
Operating revenue	1,657.2[5]	1,514.9[5]	2,368.7[5]	2,166.4[5]	1,984.8[5]	1,835.9	1,733.8	1,346.7	655.1	301.0
EBITDAF	453.4[5]	437.4[3,5]	527.6[5]	520.2[5]	470.9[2,5]	363.3	356.3	315.9	157.1	77.6
Operating earnings[4]	125.5	164.2	183.5	199.3	252.9	90.0	77.2	87.8	32.4	13.8
Net gain/(loss) on foreign exchange and derviatives	(36.3)	70.7	(14.4)	19.2	(3.9)	(67.5)	8.0	2.9	22.7	-
Investment realisations, revaluations and (impairments)	29.5	222.2	(5.9)	4.3	(0.5)	83.8	(179.4)	(15.4)	38.9	0.2
Net surplus after taxation, discontinued operations and minorities	383.5	198.9	3.4	51.6	64.5	29.0	(191.0)	(1.7)	34.7	8.0
Dividends paid and declared	148.8	57.0	48.2	44.1	37.6	36.2	31.3	28.6	27.4	23.0
Financial position										
Represented by:										
Investments	532.3	294.1	334.2	340.9	323.7	9.7	162.4	212.3	262.5	475.6
Non-currents assets	4,830.6	4,613.3	4,435.2	4,328.8	4,193.7	3,963.6	3,891.5	3,662.9	3,311.5	1,114.1
Current assets	584.8	542.4	670.0	623.7	515.7	535.1	653.8	524.2	313.6	115.2
Total assets	**5,947.7**	**5,449.8**	**5,439.4**	**5,293.4**	**5,033.1**	**4,508.4**	**4,707.7**	**4,399.4**	**3,887.6**	**1,704.9**
Current liabilities	344.0	623.6	679.6	547.5	415.7	647.6	445.6	618.6	388.7	332.7
Non-current liabilities	2,066.5	1,810.4	1,920.0	1,887.7	1,919.7	1,382.1	1,879.0	1,561.6	1,242.5	97.2
Infrastructure bonds	981.9	979.9	904.3	851.6	854.8	747.4	748.7	748.8	730.0	481.6
Total Liabilities	**3,392.4**	**3,413.9**	**3,503.9**	**3,286.8**	**3,190.2**	**2,777.1**	**3,073.3**	**2,929.0**	**2,361.2**	**911.5**
Net Assets	**2,555.3**	**2,035.9**	**1,935.5**	**2,006.6**	**1,842.9**	**1,731.3**	**1,634.4**	**1,470.4**	**1,526.4**	**793.4**
Outside equity interest in subsidiaries	1,061.4	916.6	931.1	932.0	843.5	850.6	843.4	737.1	717.0	127.6
Equity	1,493.9	1,119.3	1,004.4	1,074.6	999.4	880.7	791.0	733.3	809.4	665.8
Total Equity	**2,555.3**	**2,035.9**	**1,935.5**	**2,006.6**	**1,842.9**	**1,731.3**	**1,634.4**	**1,470.4**	**1,526.4**	**793.4**
Dividends per share	26.50	9.75	8.25	7.25	6.25	6.25	6.25	6.25	12.50	10.50
Dividends per share (adjusted for share split)	26.50	9.75	8.25	7.25	6.25	6.25	6.25	6.25	6.25	5.25
Shares on issue ('000)	561,875	561,618	583,321	586,931	602,806	567,655	520,211	443,408	219,671	219,439
Shares on issue (adjusted for share split) ('000)	561,875	561,618	583,321	586,931	602,806	567,655	520,211	443,408	439,342	438,838
Partly paid installment shares ('000)	-	-	-	-	-	-	-	88,008	-	-

[1] Prepared in accordance with New Zealand Equivalents to International Financial Reporting Standards ('NZIFRS')
[2] Prior to fair value gains on acquisition recognised by associates of $60.7 million
[3] Prior to fair value gains on acquisition recognised by associates of $33.1 million
[4] Operating earnings is earnings after depreciation, amortisation and interest
[5] Operating revenue and EBITDAF relate to continuing operations

Directory

Directors

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

Company Secretary

P Harford

Registered Office - New Zealand

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

Registered Office - Australia

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

Manager

Morrison & Co Infrastructure Management Limited
5 Market Lane
PO Box 1395
Wellington
Telephone: +64 4 473 2399
Facsimile: +64 4 473 2388
Internet address: www.hrlmorrison.com

Share Registrar - New Zealand

Link Market Services
Level 7, Zurich House
21 Queen Street
PO Box 91976
Auckland
Telephone: +64 9 375 5999
Email:
enquiries@linkmarketservices.co.nz
Internet address:
www.linkmarketservices.co.nz

Share Registrar - Australia

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

Auditor

KPMG
10 Customhouse Quay
PO Box 996
Wellington

Bankers

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

Bank of New Zealand
Level 4
80 Queen Street
Auckland

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

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

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

Kiwibank
Level 12
New Zealand Post House
7 Waterloo Quay
Wellington

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

Calendar

Final dividend paid
15 June 2015

Annual meeting
21 August 2015

Infratil Update publication
September 2015

Half year end
30 September 2015

Interim report release
11 November 2015

Infratil Update publication
March 2016

Financial year end
31 March 2016

Updates/Information

Infratil produces an Annual Report and Interim Report each year. It also produces two Updates on matters of relevance to the Company. The last two were:

May 2015: Outlining RetireAustralia and Infratil's investment case and explaining why the investment outlook for retirement accommodation differs from the returns and risks of other segments of the housing market.

September 2014: Providing details of what a runway extension at Wellington Airport would require and why the City and Airport believe airlines would use it and what benefits would ensue.

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

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

Corporate Awards

Wellington Chamber of Commerce Achievement Award for contribution to the development of Wellington

Institute of Financial Professionals New Zealand (INFINZ) Finalist: Best Corporate Communication 2003, 2004, 2005, 2006, 2008, 2010, 2011. Best Debt Deal 2007. Best Corporate Treasury 2007, 2008, 2011, 2015

New Zealand Shareholders' Association Best and Fairest Award

Finance Asia Best New Zealand Deal 2007

Deloitte / Management Magazine Company of the Year 2007