INFRATIL LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 SEPTEMBER 2010

	Notes	Consolidated 6 months ended 30 September 2010 $Millions Unaudited	6 months ended 30 September 2009 $Millions Unaudited	12 months ended 31 March 2010 $Millions Audited
Operating revenue		1,055.2	957.2	1,829.1
Dividends		0.1	6.6	6.8
Total revenue		1,055.3	963.8	1,835.9
Share of earnings and income of Associate Companies	10	12.8	-	-
Total income	5	1,068.1	963.8	1,835.9
Depreciation		46.7	44.1	90.0
Amortisation of intangibles		11.5	12.2	24.0
Employee benefits		104.9	99.1	197.6
Other operating expenses	6	705.4	657.4	1,275.0
Total operating expenditure		868.5	812.8	1,586.6
Operating surplus before financing, investment costs, derivatives, realisations and impairments		199.6	151.0	249.3
Net (loss) on energy, foreign exchange and interest rate derivatives		(13.4)	(38.4)	(67.5)
Net investment realisations and (impairments)	5	(0.3)	(15.4)	83.8
Results from operating activities		185.9	97.2	265.6
Interest income		2.3	4.5	7.9
Interest expense		82.5	85.1	167.2
Net financing expense		80.2	80.6	159.3
Net surplus before taxation		105.7	16.6	106.3
Tax expense associated with change in corporate income tax rate	11	(9.2)	-	-
Taxation expense associated with removal of depreciation on buildings	11	30.0	-	-
Taxation expense	11	42.2	2.3	11.3
Net surplus for the period		42.7	14.3	95.0
Net surplus/(loss) attributable to owners of the company		16.1	(31.4)	29.0
Net surplus attributable to non-controlling interest		26.6	45.7	66.0
Other comprehensive income, after tax				
Differences arising on translation of foreign operations		11.3	(36.5)	(31.1)
Effective portion of changes in fair value of cash flow hedges		(24.6)	(3.9)	20.1
Net change in fair value of cash flow hedges transferred to profit or loss		-	6.2	6.2
Net change in fair value of property, plant & equipment recognised in equity		15.1	(5.8)	19.9
Net change in fair value of available-for-sale financial assets		-	79.4	79.4
Movement of available-for-sale financial assets transferred to profit and loss		-	-	(79.4)
Other comprehensive income for the period, net of income tax		1.8	39.4	15.1
Total comprehensive income for the period		44.5	53.7	110.1
Total comprehensive income for the period - owners of the Company		23.2	6.5	29.2
Total comprehensive income for the period - non controlling interest		21.3	47.2	80.9
Earnings per share				
Basic (cents per share)		2.7	(8.4)	5.2
Diluted (cents per share)		2.7	(8.4)	5.2
Earnings before interest, tax, depreciation, amortisation, fair value movements of financial instruments, investment costs, realisations and impairments (EBITDAF)		257.8	207.3	363.3

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2010

	Notes	Consolidated 30 September 2010 $Millions Unaudited	30 September 2009 $Millions Unaudited	31 March 2010 $Millions Audited
Cash and cash equivalents		155.2	164.6	180.9
Trade, accounts receivable and prepayments		371.8	325.2	333.4
Derivative financial instruments		8.1	7.8	5.5
Inventories		14.4	11.0	15.3
Investments	10	-	151.7	-
Income tax receivable		-	2.9	-
Current assets		549.5	663.2	535.1
Property, plant and equipment		3,639.5	3,456.2	3,556.1
Investment properties		76.0	87.3	75.9
Derivative financial instruments		8.3	13.7	22.5
Intangible assets		66.9	71.2	67.1
Goodwill		242.0	242.0	242.0
Investments	10	232.3	157.8	9.7
Non current assets		4,265.0	4,028.2	3,973.3
Total assets		4,814.5	4,691.4	4,508.4
Accounts payable, accruals and other liabilities		288.9	262.4	273.5
Derivative financial instruments		93.2	45.8	60.9
Bank debt	8	9.0	8.2	302.0
Income tax payable		12.3	14.3	10.5
Infrastructure bonds	12	112.8	-	0.7
Total current liabilities		516.2	330.7	647.6
Bank debt	8	823.5	995.8	330.5
Other liabilities		33.6	5.9	13.8
Deferred tax		344.8	333.0	339.5
Derivative financial instruments		55.1	46.7	49.6
Infrastructure bonds	12	396.0	508.8	508.1
Perpetual Infratil infrastructure bonds	12	239.1	239.8	239.3
Wellington International Airport bonds		250.0	250.0	250.0
TrustPower bonds		408.3	260.9	398.7
Non current liabilities		2,550.4	2,640.9	2,129.5
Attributable to owners of the Company		916.0	874.1	880.7
Non controlling interest in subsidiaries		831.9	845.7	850.6
Total equity		1,747.9	1,719.8	1,731.3
Total equity and liabilities		4,814.5	4,691.4	4,508.4
Net tangible assets per share ($ per share)		$ 1.01	$ 0.99	$ 0.98

Approved on behalf of the Board on 15 November 2010

Director

Director

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 SEPTEMBER 2010

	Notes	Consolidated 6 months ended 30 September 2010 $Millions Unaudited	6 months ended 30 September 2009 $Millions Unaudited	12 months ended 31 March 2010 $Millions Audited
Cash flows from operating activities				
Cash was provided from:				
Receipts from customers		1,011.5	894.4	1,751.6
Dividends		-	5.2	2.4
Interest received		2.3	4.5	7.9
		1,013.8	904.1	1,761.9
Cash was disbursed to:				
Payments to suppliers and employees		(810.8)	(753.7)	(1,424.0)
Interest paid		(81.8)	(84.2)	(167.1)
Taxation paid		(26.9)	(18.9)	(43.9)
		(919.5)	(856.8)	(1,635.0)
Net cash inflow from operating activities	13	94.3	47.3	126.9
Cash flows from investing activities				
Cash was provided from:				
Proceeds from sale of investments		-	40.1	328.4
Proceeds from sale of property, plant and equipment		0.4	23.1	63.4
		0.4	63.2	391.8
Cash was disbursed to:				
Purchase of investments		(209.7)	(2.8)	-
Lodgement of security deposits		(1.7)	(0.2)	(0.5)
Purchase of intangible assets		(2.3)	(4.2)	(13.0)
Interest capitalised on construction of fixed assets		(3.2)	(1.0)	(1.9)
Capitalisation of customer acquisition costs		(8.9)	(6.5)	(10.6)
Purchase of property, plant and equipment		(75.5)	(98.2)	(201.5)
		(301.3)	(112.9)	(227.5)
Net cash (outflow)/inflow from investing activities		(300.9)	(49.7)	164.3
Cash flows from financing activities				
Cash was provided from:				
Proceeds from issue of shares		42.6	97.9	98.2
Proceeds from issue of shares to non-controlling shareholders		1.0	4.3	5.2
Bank borrowings		657.8	66.9	251.0
Issue of bonds		9.1	-	137.7
		710.5	169.1	492.1
Cash was disbursed to:				
Repay bank debt		(458.0)	(182.6)	(738.1)
Repay TrustPower bonds/PIIB buyback		(0.1)	(0.1)	(0.4)
Share buyback		(9.2)	-	-
Share buyback of non-wholly owned subsidiary		(2.9)	-	-
Dividends paid to non-controlling shareholders in subsidiary companies		(38.2)	(49.2)	(78.8)
Dividends paid to owners of the Company		(21.2)	(21.3)	(36.2)
		(529.6)	(253.2)	(853.5)
Net cash inflow/(outflow) from financing activities		180.9	(84.1)	(361.4)
Net (decrease) in cash		(25.7)	(86.5)	(70.2)
Cash balances at beginning of year		180.9	251.1	251.1
Cash at end of year		155.2	164.6	180.9

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2010
Attributable to equity holders of the Company - Unaudited

Consolidated	Capital	Revaluation reserve	Foreign currency translation reserve	Fair value reserve	Hedge/other reserve	Retained earnings	Total	Non-controlling	Total equity
	$Millions	$Millions	$Millions	$Millions	$Millions	$Millions	$Millions	$Millions	$Millions
Balance as at 1 April 2010	419.7	385.2	(44.1)	-	9.5	110.4	880.7	850.6	1,731.3
Total comprehensive income for the period									
Net surplus for the period	-	-	-	-	-	16.1	16.1	26.6	42.7
Other comprehensive income, after tax									
Differences arising on translation of foreign operations	-	-	11.3	-	-	-	11.3	-	11.3
Effective portion of changes in fair value of cash flow hedges	-	-	-	-	(12.9)	-	(12.9)	(11.7)	(24.6)
Net change in fair value of cash flow hedges transferred to profit or loss	-	-	-	-	-	-	-	-	-
Net change in fair value of property, plant & equipment recognised in equity	-	8.7	-	-	-		8.7	6.4	15.1
Net change in fair value of available-for-sale financial assets	-	-	-	-	-	-	-	-	-
Movement of available-for-sale financial assets transferred to profit or loss	-	-	-	-	-	-	-	-	-
Total other comprehensive income	-	8.7	11.3	-	(12.9)	-	7.1	(5.3)	1.8
Total comprehensive income for the period	**-**	**8.7**	**11.3**	**-**	**(12.9)**	**16.1**	**23.2**	**21.3**	**44.5**
Contributions by non-controlling interest									
Outside equity interest arising on establishment of subsidiary	-	-	-	-	-	-	-	(1.9)	(1.9)
Total contributions by non-controlling interest	-	-	-	-	-	-	-	(1.9)	(1.9)
Contributions by and distributions to owners									
Partly paid shares fully paid (IFTWBs)	42.5	-	-	-	-	-	42.5	-	42.5
Shares issued from underwrite of IFTWB exercise	-	-	-	-	-	-	-	-	-
Less share buyback	(9.2)	-	-	-	-	-	(9.2)	-	(9.2)
Dividends to equity holders	-	-	-	-	-	(21.2)	(21.2)	(38.1)	(59.3)
Total contributions by and distributions to owners	33.3	-	-	-	-	(21.2)	12.1	(38.1)	(26.0)
Balance as at 30 September 2010	**453.0**	**393.9**	**(32.8)**	**-**	**(3.4)**	**105.3**	**916.0**	**831.9**	**1,747.9**

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2009
Attributable to equity holders of the Company - Unaudited

Consolidated	Capital	Revaluation reserve	Foreign currency translation reserve	Fair value reserve	Hedge/other reserve	Retained earnings	Total	Non-controlling	Total equity
	$Millions	$Millions	$Millions	$Millions	$Millions	$Millions	$Millions	$Millions	$Millions
Balance as at 1 April 2009	323.0	367.9	(8.8)	-	(4.5)	113.4	791.0	843.4	1,634.4
Total comprehensive income for the period									
Net surplus/(loss) for the period	-	-	-	-	-	(31.4)	(31.4)	45.7	14.3
Other comprehensive income, after tax									
Differences arising on translation of foreign operations	-	-	(40.1)	-	-	3.6	(36.5)	-	(36.5)
Effective portion of changes in fair value of cash flow hedges	-	-	-	-	(5.0)	-	(5.0)	1.1	(3.9)
Net change in fair value of cash flow hedges transferred to profit or loss	-	-	-	-	6.2	-	6.2	-	6.2
Net change in fair value of property, plant & equipment recognised in equity	-	(6.2)	-	-	-	-	(6.2)	0.4	(5.8)
Net change in fair value of available-for-sale financial assets	-	-	-	79.4	-	-	79.4	-	79.4
Movement of available-for-sale financial assets transferred to profit or loss	-	-	-	-	-	-	-	-	-
Total other comprehensive income	-	(6.2)	(40.1)	79.4	1.2	3.6	37.9	1.5	39.4
Total comprehensive income for the year	**-**	**(6.2)**	**(40.1)**	**79.4**	**1.2**	**(27.8)**	**6.5**	**47.2**	**53.7**
Contributions by non-controlling interest									
Outside equity interest arising on establishment of subsidiary	-	-	-	-	-	-	-	4.3	4.3
Total contributions by non-controlling interest	-	-	-	-	-	-	-	4.3	4.3
Contributions by and distributions to owners									
Partly paid shares fully paid (IFTWBs)	86.3	-	-	-	-	-	86.3	-	86.3
Shares issued from underwrite of IFTWB exercise	11.6	-	-	-	-	-	11.6	-	11.6
Less share buyback	-	-	-	-	-	-	-	-	-
Dividends to equity holders	-	-	-	-	-	(21.3)	(21.3)	(49.2)	(70.5)
Total contributions by and distributions to owners	97.9	-	-	-	-	(21.3)	76.6	(49.2)	27.4
Balance as at 30 September 2009	**420.9**	**361.7**	**(48.9)**	**79.4**	**(3.3)**	**64.3**	**874.1**	**845.7**	**1,719.8**

The accompanying notes form part of these financial statements.

KPMG
Wellington
Marked for
Identification

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2010
Attributable to equity holders of the Company - Audited

Consolidated	Capital	Revaluation reserve	Foreign currency translation reserve	Fair value reserve	Hedge/other reserve	Retained earnings	Total	Non-controlling	Total equity
	$Millions	$Millions	$Millions	$Millions	$Millions	$Millions	$Millions	$Millions	$Millions
Balance as at 1 April 2009	323.0	367.9	(8.8)	-	(4.5)	113.4	791.0	843.4	1,634.4
Total comprehensive income for the year									
Net surplus for the year	-	-	-	-	-	29.0	29.0	66.0	95.0
Other comprehensive income, after tax									
Differences arising on translation of foreign operations	-	-	(35.3)	-	-	4.2	(31.1)	-	(31.1)
Effective portion of changes in fair value of cash flow hedges	-	-	-	-	7.8	-	7.8	12.3	20.1
Net change in fair value of cash flow hedges transferred to profit or loss	-	-	-	-	6.2	-	6.2	-	6.2
Net change in fair value of property, plant & equipment recognised in equity	-	17.3	-	-	-	-	17.3	2.6	19.9
Net change in fair value of available-for-sale financial assets	-	-	-	79.4	-	-	79.4	-	79.4
Movement of available-for-sale financial assets transferred to profit or loss	-	-	-	(79.4)	-	-	(79.4)	-	(79.4)
Total other comprehensive income	-	17.3	(35.3)	-	14.0	4.2	0.2	14.9	15.1
Total comprehensive income for the year	-	17.3	(35.3)	-	14.0	33.2	29.2	80.9	110.1
Contributions by non-controlling interest									
Outside equity interest arising on establishment of subsidiary	-	-	-	-	-	-	-	5.1	5.1
Total contributions by non-controlling interest	-	-	-	-	-	-	-	5.1	5.1
Contributions by and distributions to owners									
Partly paid shares fully paid (IFTWBs)	86.6	-	-	-	-	-	86.6	-	86.6
Shares issued from underwrite of IFTWB exercise	11.6	-	-	-	-	-	11.6	-	11.6
Less share buyback	(1.5)	-	-	-	-	-	(1.5)	-	(1.5)
Dividends to equity holders	-	-	-	-	-	(36.2)	(36.2)	(78.8)	(115.0)
Total contributions by and distributions to owners	96.7	-	-	-	-	(36.2)	60.5	(78.8)	(18.3)
Balance as at 31 March 2010	419.7	385.2	(44.1)	-	9.5	110.4	880.7	850.6	1,731.3

The accompanying notes form part of these financial statements.

(1) Accounting policies

Basis of preparation

These unaudited condensed consolidated half year financial statements of Infratil Limited ("the Company") together with its subsidaries and associates ("the Group") have been prepared in accordance with NZ IAS 34 Interim Financial Reporting. These condensed consolidated half year financial statements also comply with IAS 34 Interim Financial Reporting. The unaudited condensed consolidated financial statements for the six months to 30 September 2010 have been prepared in accordance with the accounting policies stated in the published financial statements for the year ended 31 March 2010 and should be read in conjunction with the previous annual report. No changes have been made from the accounting policies used in the most recent annual report which can be obtained from Infratil's registered office or www.infratil.com.

The presentation currency used in the preparation of these financial statements is New Zealand dollars, which is also the Group functional currency. Comparative figures have been restated where appropriate to ensure consistency with the current period.

The following new standards, amendments to standards and interpretations are mandatory for the first time for the financial year beginning 1 April 2010, but are either not currently relevant for the Group or do not result in material accounting and/or disclosure changes:

- NZ IFRS 2 (amendment), Share-based payment
- NZ IAS 32 (amendment), Financial instruments: Disclosure and presentation
- NZ IAS 39 (amendment), Financial instruments: Recognition and measurement
- NZ IFRIC 17, Distributions of non-cash assets to owners, effective for annual periods beginning on or after 1 July 2009.
- NZ IFRIC 18, Transfers of assets from customers, effective for transfers of assets received on or after 1 July 2009.
- IFRS 5 Non-current assets held for sale and discontinued operations (effective for annual periods beginning on or after 1 January 2010).

The following new standards, amendments to standards and interpretations have been issued, but are not effective for the financial year beginning 1 April 2010 have not been early adopted and are not currently applicable to the Group:

- NZ IFRS 3 (revised), Clarification of contingent considerations arising on business combinations, limiting the accounting policy choice when measuring non-controlling interests upon initial recognition and expansion of the guidance on the treatment of share based payment awards.
- NZ IFRIC 13, Customer loyalty programmes.
- NZ IFRS 1 First time Adoption of NZ IFRSs - additional Exemptions for First-time Adopters.
- NZ IFRIC 19, Extinguishing Liabilities wih Equity Instruments
- IFRS 9 Financial Instruments: Classification and measurement (effective for annual periods beginning on or after 1 January 2013).
- NZ IAS 24 Related party disclosures (effective for annual periods beginning on or after 1 July 2011).

(2) Discontinued operations

There were no discontinued operations in the current period or prior periods presented.

(3) Nature of business

The Group owns infrastructure businesses and investments in the United Kingdom, Australia and New Zealand, and owns and operates predominantly infrastructure and utility businesses. The Company is a limited liability company incorporated and domiciled in New Zealand. The address of its registered office is 97 The Terrace, Wellington, New Zealand.

(4) Business acqusitions/disposals

On 1 April 2010 Infratil Limited and the Guardians of New Zealand Superannuation each acquired a 50% interest in Shell New Zealand's distribution and retail energy businesses, and a 17.1% interest in the New Zealand Refining Company through its investment vehicle Aotea Energy Holdings Limited. In addition to an extensive retail network and commercial cusomer base, the acquisition included NZ-wide distribution, storage, marine and aviation assets; the rights to use the Shell retail brand; a 25% share in Loyalty New Zealand (Fly Buys); and the ongoing supply of Shell fuels and products. These Group financial statements include equity accounting of Aotea Energy Holdings Limited and its principal operating subsidiary Greenstone Energy Limited.

The Directors of Aotea Energy Holdings Limited are currently undertaking the fair value assessments of the assets and liabilities acquired. The fair value exercise is incomplete so the Directors have retained book values of assets and liabilities as the best estimate of fair value pending completion of the fair value exercise. Following completion of this fair value exercise any changes in fair value will directly impact the value of goodwill. In the event that negative goodwill exists, this will be taken to the income statement as a gain. At the reporting date there are no indicators of impairment of goodwill.

For further information please refer to note 10.

	$Millions
Net assets acquired on 1 April 2010	Unaudited
Cash & cash equivalents	126.7
Trade & other receivables	159.8
Inventories	342.4
Current tax payable	(7.7)
Investment in associates	190.2
Property, plant and equipment	256.0
Deferred tax assets	4.3
Intangible assets and lease premiums	4.2
Current trade & other payables	(217.4)
Provisions current	(27.8)
Total net identifiable assets	830.7
Cash consideration paid	890.7
Debt facility (including working capital)	411.2
Shareholder loans and equity	419.5
Goodwill	(60.0)

(5) Income

	Consolidated 6 months ended 30 September 2010	6 months ended 30 September 2009	12 months ended 31 March 2010
	$Millions Unaudited	$Millions Unaudited	$Millions Audited
Trading/operating revenue	1,055.2	957.1	1,828.9
Dividends	0.1	6.6	6.8
Grant income	-	0.1	0.2
Share of earnings and income of Associate Companies	12.8	-	-
	1,068.1	963.8	1,835.9
Investment realisations and revaluations	0.1	26.3	127.0
Change in fair value of investment properties	-	-	(0.1)
Investment transaction costs expensed	-	-	(2.6)
Impairment of investments	-	(41.7)	-
Impairment of property, plant and equipment	(0.4)	-	(34.4)
Impairment of goodwill and other intangibles	-	-	(6.1)
	(0.3)	(15.4)	83.8

Investment realisations and revaluations
During the year ended 31 March 2010 the Group disposed of its investments in: Fullers Ferries, certain property assets, Lubeck Airport, Auckland International Airport and Energy Developments, resulting in realisation gains of $127 million.

Impairment of property, plant and equipment - March 2010
Airport assets are typically revalued at least every five years by independent valuers, with impairment considered at each balance date. The financial performance of Glasgow Prestwick Airport deteriorated against expectations in the year to 31 March 2010, with the Scottish economy in recession and passenger and freight performance down significantly compared to the prior year. An updated independent valuation of Glasgow Prestwick as at 31 March 2010 was obtained and as a result the value of the assets was impaired by $34.4 million.

Impairment of goodwill and other intangibles - March 2010
The impairment of software intangible assets relates to the partial abandonment of a project to replace billing software.

(6) Other operating expenses

	Note	Consolidated 6 months ended 30 September 2010	6 months ended 30 September 2009	12 months ended 31 March 2010
		$Millions Unaudited	$Millions Unaudited	$Millions Audited
Fees paid to group auditors				
Audit fees		0.3	0.3	0.7
Other assurance services		0.2	-	-
Taxation and other services		0.1	0.1	0.5
Audit fees paid to other auditors		0.1	0.1	0.3
Bad debts written off		5.4	3.1	11.3
Increase in provision for doubtful debts		3.4	12.4	13.0
Directors' fees		1.3	1.2	2.4
Administration and other		5.4	3.1	4.2
Management fee (to related party MCIM)	17	8.5	8.7	16.5
Incentive fee (to related party MCIM)	17	5.9	-	-
Trading operations				
Energy and wholesale costs		261.4	259.6	520.3
Line, distribution and network costs		273.6	248.5	446.1
Other energy business costs		71.3	55.7	96.8
Transportation business costs		37.1	37.2	77.8
Airport business costs		31.2	27.4	85.1
Total other operating expenses		705.2	657.4	1,275.0

Other assurance services include services for the audit or review of financial information other than financial statements.

(7) Seasonality

TrustPower
The retail sale of electricity is subject to seasonal fluctuations, with peak demand in the second quarter, and to a lesser extent the first quarter, of each financial year. This is due to higher demand for electricity in colder weather. For the six months ended 30 September 2010, the volume of customer sales was 16% higher than for the six months ended 31 March 2010.

Infratil Energy Australia
Wholesale electricity prices (and the cost of the hedge contracts used to cover these prices) in Australia can vary throughout a financial year depending on the period these purchases cover. These prices are generally higher during warmer months. This seasonality can result in higher margins in the first six months of the year, than in the second six months of the year.

European airports
The first half of the financial year is the European summer, creating a higher demand for passenger travel across the airports in this period . For the six months ended 30 September 2010, the volume of passengers represented 59% of the annual level of passenger trips in the period ended 31 March 2010.

(8) Interest-bearing loans and borrowings

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

	Consolidated		
	30 September 2010	30 September 2009	31 March 2010
	$Millions Unaudited	$Millions Unaudited	$Millions Audited
Current liabilities			
Unsecured bank loans	8.2	8.2	223.6
Secured bank facilities	0.8	-	78.4
	9.0	8.2	302.0
Non-current liabilities			
Unsecured bank loans	584.3	817.5	190.5
Secured bank facilities	99.2	38.3	-
Redeemable preference shares - secured	140.0	140.0	140.0
	823.5	995.8	330.5
Facilities utilised at reporting date			
Unsecured bank loans	592.5	825.7	414.1
Secured bank facilities	100.0	38.3	84.5
Unsecured guarantees	43.1	40.8	45.3
Redeemable preference shares - secured	140.0	140.0	140.0
Facilities not utilised at reporting date			
Unsecured bank loans and guarantee facilities	561.6	568.2	884.9
Secured bank loans	2.5	59.1	18.3

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 period the Group has complied with all debt covenant requirements of its bank facility agreement.

At 30 September 2010 the Group had unsecured bank debt and guarantee facilities of $1,197.2 million (September 2009: $1,434.7 million, March 2010: $1,344.3 million), redeemable preference shares (RPS) of $140 million (September 2009: $140 million, March 2010: $140 million) and secured bank and guarantee debt facilities of $102.5 million (September 2009: $97.4 million, March 2010: $102.8 million).

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 period ranged from 2.7% to 5.7% (September 2009: 3.2% to 4.5%, March 2010: 2.7% to 5.7%).

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

The Group has issued redeemable preference shares (RPS) which have a fixed interest rate of 7.93% (September 2009: 8.05%, March 2010: 7.93%), and which mature in August 2013. The RPS are secured by a specific charge over 48.5 million TrustPower shares held by a subsidiary company and a general security charge over the other assets of that subsidiary company.

A subsidiary company has entered into a fully defeased cross border lease in relation to generation assets with a book value of $65.5 million (September 2009: $65.5 million, March 2010: $65.5 million). The lease liability is not recognised in these financial statements as all obligations have been prepaid to the respective lessors. This lease creates restrictions on the disposal of the asset unless the subsidiary company holding the assets is part of the disposal. The lease expires in January 2018 and is subject to a potential termination payment, up to a maximum value of $4.8 million (September 2009: $5.0 million, March 2010: $4.9 million), in the event that the subsidiary wishes to terminate the lease.

(9) Infratil shares and warrants

Ordinary shares (fully paid)

	6 months ended 30 September 2010	6 months ended 30 September 2009	12 months ended 31 March 2010
	Unaudited	Unaudited	Audited
Total issued capital at the beginning of the period	567,655,106	520,211,418	520,211,418
Movements in issued and fully paid ordinary shares during the year			
Partly- paid shares (IFTWBs)	38,049,825	40,246,289	40,531,919
Treasury Stock held reissued under Dividend reinvestment plan	1,462,004	-	-
Share placement - IFTWB underwrite	-	7,811,769	7,811,769
Share buyback	(5,550,000)	-	(900,000)
Total issued capital at the end of the period	601,616,935	568,269,476	567,655,106

All fully paid ordinary shares have equal voting rights and share equally in dividends and equity. All authorised shares are issued and have no par value. There are no IFTWBs (September 2009: 85,010,783, March 2010: 38,086,926) and 52,825,458 IFTWCs (September 2009: 52,825,848, March 2010: 52,825,458) (Infratil warrants on issue, referred to as IFTWBs and IFTWCs respectively). During the period 38,049,825 partly-paid shares (IFTWBs) were converted to ordinary shares. No IFTWCs were converted to ordinary shares during the period (September 2009: nil, March 2010: 390).

Each IFTWC entitles the holder to acquire a further share in the Company at a price of $4.15 on, or before, 29 June 2012.

	6 months ended 30 September 2010	6 months ended 30 September 2009	12 months ended 31 March 2010
Executive redeemable shares	Unaudited	Unaudited	Audited
Balance at the beginning of the period	632,500	293,500	293,500
Shares Issued	-	-	339,000
Balance at end of period	632,500	293,500	632,500

Pursuant to Infratil Limited's Executive Share Scheme, the Company issued on 3 November 2009 a further 339,000 (2009: 293,500) executive redeemable shares at an issue price per share of $1.6236 (2009: $2.0395), paid up to 1 cent per share. Redeemable shares may be issued annually to certain executives of the Company and its subsidiaries in accordance with the terms of the Infratil Executive Share Trust Deed, dated 22 August 2008. The Executive Redeemable Shares may be redeemed for ordinary shares on the payment of the unpaid issue price in accordance with the terms of issue under the Infratil Executive Share Scheme Trust Deed. The Executive Redeemable Shares have no entitlements to dividends or voting rights.

(10) Investments

	Consolidated		
	30 September 2010	30 September 2009	31 March 2010
	$Millions Unaudited	$Millions Unaudited	$Millions Audited
Current investments			
Investments in other companies (classified as available for sale)		88.2	
Investments in other companies (classified as fair value through the profit and loss)	-	63.5	-
Total current investments	-	151.7	-
Non-current investments			
Investment in associates	222.6	1.7	-
Investments in other companies (classified as available-for-sale)	9.7	156.1	9.7
Total non-current investments	232.3	157.8	9.7
Total investments	232.3	309.5	9.7

Available for sale investments and associates	Consolidated Carrying value		
	30 September 2010	30 September 2009	31 March 2010
	$Millions Unaudited	$Millions Unaudited	$Millions Audited
Auckland International Airport Limited	-	88.2	-
Energy Developments Limited	-	148.5	-
Other investments	9.7	9.3	9.7
	9.7	246.0	9.7

	Change in value		
	6 months ended 30 September 2010	6 months ended 30 September 2009	12 months ended 31 March 2010
	$Millions Unaudited	$Millions Unaudited	Audited
Auckland International Airport Limited	-	-	6.2
Energy Developments Limited	-	7.1	94.6
Other investments	-	72.3	-
	-	79.4	100.8
Gain/(impairment) to profit and loss	-	-	100.8
Fair value reserve movement	-	79.4	-

The change in value shown above is due to the market movement in prices for these investments, inclusive of additions.

Energy Developments Limited (EDL)
On 8 January 2010 Infratil sold its investment in EDL (2009: 31.6%) for $175.1 million.

Auckland International Airport Limited (AIA)
On 10 November 2009 Infratil sold its 3.87% (47.4 million shares) investment in AIA for $87.3 million.

Investment in associates
Summary financial information for equity accounted investees, not adjusted for the percentage ownership held by the Group:

	Consolidated		
	30 September 2010	30 September 2009	31 March 2010
Aotea Energy Holdings Limited ('AEHL')	$Millions Unaudited	$Millions Unaudited	$Millions Audited
Current assets	628.9	-	-
Non-current assets	519.1	-	-
Total Assets	1,148.0	-	-
Current liabilities	329.1	-	-
Shareholder loans	253.4	-	-
Redeemable preference shares	120.2	-	-
Other non current liabilities	258.4	-	-
Total liabilities	961.1	-	-
Revenues	1,240.1	-	-
Net Profit after tax	11.9	-	-

Aotea Energy Holdings Limited ('AEHL')

The Group's interest in AEHL includes a 50% equity interest, redeemable preference shares and a shareholder loan, acquired on 1 April 2010 for $209.75 million.
AEHL and its subsidaries operate within the downstream oil industry.

	Consolidated		
	6 months ended 30 September 2010	6 months ended 30 September 2009	12 months ended 31 March 2010
Movement in the carrying amount of investment in associate (50% interest)	$Millions Unaudited	$Millions Unaudited	$Millions Audited
Share of associate's net surplus before income tax	22.0	-	-
Share of associate's income tax (expense)	(16.2)	-	-
Share of associate's net profit after tax	5.8	-	-
Interest accrued on shareholder loan	4.4	-	-
Dividend accrued on RPS	2.6	-	-
Total share of associate's earnings in the period	12.8	-	-
Cost of investment	209.8	-	-
Shares	35.8	-	-
Shareholder loan	126.7	-	-
Redeemable preference shares	60.1	-	-
Total investment (including share of associate earnings)	222.6	-	-

(11) Taxation

	Consolidated		
	6 months ended 30 September 2010	6 months ended 30 September 2009	12 months ended 31 March 2010
	$Millions Unaudited	$Millions Unaudited	$Millions Audited
Net surplus before taxation	105.7	16.6	106.3
Taxation on the surplus for the period	31.7	5.0	31.9
Plus/(less) taxation adjustments:			
Effect of tax rates in foreign jurisdictions	0.2	1.1	1.0
Net benefit of imputation credits	(0.1)	(0.7)	(0.7)
Change in corporate income tax rate	(9.2)	-	-
Removal of tax depreciation on buildings	30.0	-	-
Exempt dividends	-	(1.3)	(1.3)
Tax losses not recognised	13.7	2.2	13.3
Equity accounted earnings of associates	(2.5)		
Temporary differences not recognised	-	0.1	0.1
(Over)/Under provision in prior years	(1.0)	0.7	0.4
Net investments realisations/(impairment)	-	-	(30.4)
Other permanent differences	0.2	(4.8)	(3.0)
Taxation expense	63.0	2.3	11.3
Current taxation	44.1	27.2	31.1
Deferred taxation	18.9	(24.9)	(19.8)
	63.0	2.3	11.3

Income tax recognised in other comprehensive income	6 months ended 30 September 2010		
	Before tax	Tax (expense) /benefit	Net of tax
	$Millions Unaudited	$Millions Unaudited	$Millions Unaudited
Differences arising on translation of foreign operations	10.9	0.4	11.3
Effective portion of changes in fair value of cash flow hedges	(36.8)	12.2	(24.6)
Net change in fair value of cash flow hedges transferred to profit or loss	-	-	-
Net change in fair value of property, plant & equipment recognised in equity	-	15.1	15.1
Net change in fair value of available-for-sale financial assets	-	-	-
Movement of available-for-sale financial assets transferred to profit and loss	-	-	-
Balance at the end of the period	(25.9)	27.7	1.8

Income tax recognised in other comprehensive income	6 months ended 30 September 2009		
	Before tax	Tax (expense) /benefit	Net of tax
	$Millions Unaudited	$Millions Unaudited	$Millions Unaudited
Differences arising on translation of foreign operations	(39.5)	3.0	(36.5)
Effective portion of changes in fair value of cash flow hedges	(4.0)	0.1	(3.9)
Net change in fair value of cash flow hedges transferred to profit or loss	6.2	-	6.2
Net change in fair value of property, plant & equipment recognised in equity	(7.3)	1.5	(5.8)
Net change in fair value of available-for-sale financial assets	79.4	-	79.4
Movement of available-for-sale financial assets transferred to profit and loss	-	-	-
Balance at the end of the period	34.8	4.6	39.4

Income tax recognised in other comprehensive income	12 months ended 31 March 2010		
	Before tax	Tax (expense) /benefit	Net of tax
	$Millions Audited	$Millions Audited	$Millions Audited
Differences arising on translation of foreign operations	(35.5)	4.4	(31.1)
Effective portion of changes in fair value of cash flow hedges	15.0	5.1	20.1
Net change in fair value of cash flow hedges transferred to profit or loss	6.2	-	6.2
Net change in fair value of property, plant & equipment recognised in equity	22.0	(2.1)	19.9
Net change in fair value of available-for-sale financial assets	79.4	-	79.4
Movement of available-for-sale financial assets transferred to profit and loss	(79.4)	-	(79.4)
Balance at the end of the period	7.7	7.4	15.1

In May 2010, the Government announced changes to the tax legislation to remove the ability to depreciate buildings for tax deductions when the life of the building is equal to or greater than 50 years. The Government also announced a decrease in the corporate income tax rate from 30% to 28% effective for tax years beginning on or after 1 April 2011. The impact of these tax changes is:

Building Depreciation: The Group will no longer be able to claim tax depreciation on buildings from its income tax years beginning 1 April 2011. The impact of this change is to reduce the tax base for these assets, giving rise to an increased difference between the carrying cost and tax base for these assets and a resultant increase in deferred tax liability and charge to tax expense of $30.0 million.

An exposure draft ED/2010/11 Deferred Tax: Recovery of Underlying Assets - with Proposed amendments to IAS 12 Income Taxes (the 2010 ED), was published on 10 September 2010 by the International Accounting Standards Board (IASB) with comments due to the IASB by 9 November 2010. The measurement of deferred tax assets and liabilities under IAS 12 Income Taxes is currently based on the expected manner of recovery or settlement of the underlying asset or liability. The 2010 ED proposes an exception to this measurement principle in respect of investment property, property, plant and equipment, and intangible assets measured using a fair value model or a revaluation model in accordance with the relevant IFRS. The exception proposed in the 2010 ED could reduce the deferred tax liability balance, which may affect the assessment of the recoverability of deferred tax assets. The 2010 ED proposes that the exception be applied retrospectively; it does not include any further proposals on effective date, transition or first time adoption.

The Directors believe that there is uncertainty as to whether New Zealand entities will be required in the future to record a deferred tax liability on buildings. This uncertainty stems from the proposed requirement that the entity must meet a rebuttable presumption that the carrying amount will be recovered entirely by sale as opposed to using the asset. It is also not clear what parameters might be applied in order to meet this test. The Group financial statements show a deferred tax liability at 30 September 2010, reflecting the removal of tax depreciation on buildings, and the full provision for deferred tax as required by the existing accounting standard IAS 12 Income Taxes.

Tax rate change: Deferred tax is required to be recorded at the tax rate that will apply when the future tax liability/asset is expected to be realised. The impact of the decrease in corporate income tax rate is a credit to tax expense of $9.2m.

These two adjustments are booked to taxation expense (net $20.8 million expense) and reserves (net $10.6 million) in the 2010 financial year.

(12) Infrastructure bonds

	Consolidated		
	30 September 2010	30 September 2009	31 March 2010
	$Millions Unaudited	$Millions Unaudited	$Millions Audited
Balance at the beginning of the year	748.1	748.7	748.7
Purchased by Infratil during the year	(0.2)	(0.1)	(0.6)
Balance at the end of the year	747.9	748.6	748.1
Current	112.8	-	0.7
Non current fixed coupon	396.0	508.8	508.1
Non current perpetual - variable coupon	239.1	239.8	239.3
Balance at the end of the year	747.9	748.6	748.1
Repayment terms and interest rates:			
Maturing in November 2010, 7.25% per annum fixed coupon rate	0.7	0.7	0.7
Maturing in May 2011, 8.25% per annum fixed coupon rate	112.1	112.1	112.1
Maturing in November 2011, 8.5% per annum fixed coupon rate	20.0	20.0	20.0
Maturing in November 2012, 7.75% per annum fixed coupon rate	57.4	57.4	57.4
Maturing in September 2013, 8.5% per annum fixed coupon rate	85.3	85.3	85.3
Maturing in November 2015, 8.5% per annum fixed coupon rate	152.8	152.8	152.8
Maturing in February 2020, 8.5% per annum fixed coupon rate	80.5	80.5	80.5
Perpetual Infratil infrastructure bonds (PIIBs)	239.1	239.8	239.3
Balance at the end of the year	747.9	748.6	748.1

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, Infratil shall elect to redeem all infrastructure bonds in that series 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 obtained by dividing the $1.00 face value by the product of the relevant conversion percentage of 98%and the market price. 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 239,096,200 (September 2009: 239,782,000, March 2010: 239,315,100) infrastructure bonds (series 20) on issue at a face value of $1.00 per bond. Interest is payable quarterly on the bonds. For the period to 15 November 2010 the coupon is fixed at 4.97% per annum. 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. 218,900 (September 2009: 118,000, March 2010: 584,900) of PIIBs were repurchased by Infratil Limited during the period.

At 30 September 2010 the Infratil Infrastructure bonds had a fair value of $659.5 million (September 2009: 556.9 million, March 2010: $659.7 million).

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

	Consolidated		
	6 months ended 30 September 2010	6 months ended 30 September 2009	12 months ended 31 March 2010
	$Millions Unaudited	$Millions Unaudited	$Millions Audited
Net surplus for the period	42.7	14.3	95.0
Less items classified as investing activity			
Loss/(Gain) on investment realisations and impairments	0.3	15.4	(86.5)
Add items not involving cash flows			
Movement in financial derivatives taken to the profit or loss	13.4	38.4	67.5
Increase/(Decrease) in deferred tax liability excluding transfers to reserves	27.2	13.1	(8.5)
Changes in fair value of investment properties	-	-	0.1
Equity accounted earnings and income of associate	(12.9)	-	-
Depreciation	46.7	44.1	90.0
Provision for bad debts	8.8	15.5	24.3
Amortisation	11.5	12.2	24.0
Other	0.6	-	(4.5)
Movements in working capital			
Change in receivables	(43.6)	(63.9)	(77.2)
Change in inventories	0.9	4.4	-
Change in trade payables	(23.8)	(11.7)	5.6
Change in accruals and other liabilities	20.7	(4.8)	21.2
Change in current and deferred taxation	1.8	(29.7)	(24.1)
Net cash flow from operating activities	94.3	47.3	126.9

(14) Segment analysis

Reportable segments of the Group, as at 30 September 2010, 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. Corporate includes, other investments less financing, management and other corporate costs.

For the period ended 30 September 2010

	TrustPower	Wellington Airport	NZBus	Infratil Energy Australia	Infratil Airports Europe	All other segments and corporate	Eliminations	Total
	New Zealand $Millions Unaudited	New Zealand $Millions Unaudited	New Zealand $Millions Unaudited	Australia $Millions Unaudited	UK $Millions Unaudited	New Zealand $Millions Unaudited	$Millions Unaudited	$Millions Unaudited
Segment revenue - total	403.5	56.3	102.6	462.5	24.6	10.4	-	1,059.9
Share of earnings of Associate Companies	-	-	-	-	-	12.8	-	12.8
Inter-segment revenue	-	-	(1.5)	-	-	(3.1)	-	(4.6)
Segment revenue - external	403.5	56.3	101.1	462.5	24.6	20.1	-	1,068.1
EBITDAF	147.7	35.2	20.7	61.2	(4.7)		(2.3)	257.8
Interest revenue	0.4	0.3	-	2.9	-	12.8	(14.1)	2.3
Interest expense	(30.8)	(8.7)	(4.5)	(8.5)	(1.6)	(42.5)	14.1	(82.5)
Depreciation and amortisation	(28.9)	(7.4)	(8.8)	(7.9)	(3.8)	(1.4)	-	(58.2)
Financial derivative fair value movements	3.2	(12.8)	-	22.7	-	(26.5)	-	(13.4)
Investment transaction costs expensed	-	-	-	-	-	-	-	-
Realisations	-	-	(0.3)	-	-	-	-	(0.3)
Impairment losses	-	-	-	-	-	-	-	-
Taxation expense	(32.0)	(15.5)	2.1	(21.1)	0.5	3.0	-	(63.0)
Segment result	59.6	(8.9)	9.2	49.3	(9.6)	(54.6)	(2.3)	42.7
Non current assets (excluding financial instruments and deferred tax)	2,516.4	687.9	214.4	405.2	154.4	278.4	-	4,256.7
Total assets	2,652.8	714.1	230.7	714.6	163.3	339.0	-	4,814.5
Total liabilities	1,123.6	374.8	38.6	320.3	42.0	1,167.3	-	3,066.6
Capital expenditure/investment (including accruals)	26.2	13.2	4.9	45.8	2.1	211.6	-	303.8

Taxation expense has increased for the current period due to taxation charges arising from the 2010 New Zealand Government Budget - see note 11.

	TrustPower	Wellington Airport	NZBus	Infratil Energy Australia	Infratil Airports Europe	All other segments and corporate	Eliminations	Total
	New Zealand $Millions Unaudited	New Zealand $Millions Unaudited	New Zealand $Millions Unaudited	Australia $Millions Unaudited	UK $Millions Unaudited	New Zealand $Millions Unaudited	$Millions Unaudited	$Millions Unaudited
For the period ended 30 September 2009								
Segment revenue - total	409.0	49.0	100.5	369.0	28.2	12.0	-	967.7
Share of earnings of Associate Companies	-	-	-	-	-	-	-	-
Inter-segment revenue	-	-	(1.4)	-	-	(2.5)	-	(3.9)
Segment revenue - external	409.0	49.0	99.1	369.0	28.2	9.5	-	963.8
EBITDAF	154.9	32.7	15.5	10.0	(3.5)	(2.3)	-	207.3
Interest revenue	0.3	0.5	-	1.0	1.1	15.7	(14.1)	4.5
Interest expense	(28.5)	(8.8)	(4.4)	(7.4)	(3.0)	(47.1)	14.1	(85.1)
Depreciation and amortisation	(25.7)	(8.7)	(8.0)	(7.9)	(4.4)	(1.6)	-	(56.3)
Financial derivative fair value movements	14.1	0.1	-	(57.7)	-	5.1	-	(38.4)
Realisations	-	-	11.4	-	11.5	3.4	-	26.3
Impairment losses	-	-	(0.1)	-	(41.6)	-	-	(41.7)
Taxation expense	(32.7)	(1.6)	(1.8)	18.3	13.4	2.1	-	(2.3)
Segment result	82.4	14.2	12.6	(43.7)	(26.5)	(24.7)	-	14.3
Non current assets (excluding financial instruments and deferred tax)	2,510.7	679.5	220.1	239.3	213.1	303.7		4,166.2
Total assets	2,666.4	706.7	238.7	483.0	222.0	374.6	-	4,691.4
Total liabilities	1,125.4	347.9	38.4	194.1	45.5	1,220.3	-	2,971.6
Capital expenditure/investment (including accruals)	11.4	11.8	10.5	62.5	3.1	3.8	-	103.1

	TrustPower	Wellington Airport	NZBus	Infratil Energy Australia	Infratil Airports Europe	All other segments and corporate	Eliminations	Total
For the year ended 31 March 2010	New Zealand $Millions Audited	New Zealand $Millions Audited	New Zealand $Millions Audited	Australia $Millions Audited	UK $Millions Audited	New Zealand $Millions Audited	$Millions Audited	$Millions Audited
Segment revenue - total	759.3	104.6	196.5	711.0	55.9	18.1	-	1,845.4
Share of earnings of Associate Companies	-	-	-	-	-	-	-	-
Inter-segment revenue	-	-	(3.0)	-	-	(6.5)	-	(9.5)
Segment revenue - external	759.3	104.6	193.5	711.0	55.9	11.6	-	1,835.9
EBITDAF	273.9	68.3	29.1	11.0	(8.6)	(10.4)	-	363.3
Interest revenue	0.4	0.8	0.4	2.7	1.5	31.1	(29.0)	7.9
Interest expense	(59.1)	(17.6)	(9.3)	(16.9)	(4.5)	(88.8)	29.0	(167.2)
Depreciation and amortisation	(55.0)	(15.8)	(16.2)	(15.2)	(8.2)	(3.6)	-	(114.0)
Financial derivative fair value movements	12.5	(4.5)	-	(75.4)	-	(0.1)	-	(67.5)
Investment transaction costs expensed	-	-	-	-	-	(2.6)	-	(2.6)
Realisations	-	(0.7)	11.3	-	15.2	104.9	-	130.7
Impairment losses	(6.1)	-	(0.1)	-	(38.1)	-	-	(44.3)
Taxation expense	(47.1)	(6.5)	1.6	28.2	9.9	2.6	-	(11.3)
Segment result	119.5	24.0	16.8	(65.6)	(32.8)	33.1	-	95.0
Non current assets (excluding financial instruments and deferred tax)	2,512.9	682.0	218.7	327.8	155.2	54.2	-	3,950.8
Total assets	2,667.7	726.9	237.0	601.2	166.9	108.7	-	4,508.4
Total liabilities	1,121.7	357.0	37.3	275.3	43.1	942.7	-	2,777.1
Capital expenditure/investment (including accruals)	29.3	22.5	16.2	116.2	5.4	3.4	-	193.0

(14) Segment analysis (continued)

Geographical segments

The Group operated in three principal areas New Zealand, Australia and the United Kingdom. The groups geographical segments are based on the location of both customers and assets.

For the period ended 30 September 2010	New Zealand $Millions Unaudited	Australia $Millions Unaudited	Europe $Millions Unaudited	Eliminations $Millions Unaudited	Total $Millions Unaudited
Segment revenue - total	554.3	476.4	24.6	-	1,055.3
Share of earnings of Associate Companies	12.8	-	-	-	12.8
Inter-segment revenue	-	-	-	-	-
Segment revenue - external	567.1	476.4	24.6	-	1,068.1
EBITDAF	191.2	71.3	(4.7)	-	257.8
Interest revenue	8.9	3.0	-	(9.6)	2.3
Interest expense	(96.0)	5.5	(1.6)	9.6	(82.5)
Depreciation and amortisation	(53.6)	(0.8)	(3.8)	-	(58.2)
Financial derivative fair value movements	(36.3)	22.9	-	-	(13.4)
Investment transaction costs expensed	-	-	-	-	-
Realisations	(0.3)	-	-	-	(0.3)
Impairment losses	-	-	-	-	-
Taxation expense	(42.4)	(21.1)	0.5	-	(63.0)
Segment result	(28.5)	80.8	(9.6)	-	42.7
Non current assets (excluding financial instruments and deferred tax)	3,364.9	737.4	154.4	-	4,256.7
Total assets	3,591.8	1,059.4	163.3	-	4,814.5
Total liabilities	2,479.8	544.8	42.0	-	3,066.6
Capital expenditure/investment (including accruals)	255.1	46.6	2.1	-	303.8

For the period ended 30 September 2009	New Zealand Unaudited $Millions	Australia Unaudited $Millions	Europe Unaudited $Millions	Eliminations Unaudited $Millions	Total Unaudited $Millions
Segment revenue - total	544.7	390.9	28.2	-	963.8
Share of earnings of Associate Companies	-	-	-	-	-
Inter-segment revenue	-	-	-	-	-
Segment revenue - external	544.7	390.9	28.2	-	963.8
EBITDAF	183.0	27.8	(3.5)	-	207.3
Interest revenue	11.9	1.2	1.1	(9.7)	4.5
Interest expense	(77.8)	(14.0)	(3.0)	9.7	(85.1)
Depreciation and amortisation	(37.8)	(14.1)	(4.4)	-	(56.3)
Financial derivative fair value movements	11.6	(50.0)	-	-	(38.4)
Realisations	14.8	-	11.5	-	26.3
Impairment losses	(0.1)	-	(41.6)	-	(41.7)
Taxation expense	(31.4)	15.7	13.4	-	(2.3)
Segment result	74.2	(33.4)	(26.5)	-	14.3
Non current assets (excluding financial instruments and deferred tax)	3,217.8	735.4	213.1		4,166.2
Total assets	3,490.3	979.1	222.0	-	4,691.4
Total liabilities	2,484.6	441.5	45.5	-	2,971.6
Capital expenditure/investment (including accruals)	37.5	62.5	3.1	-	103.1

For the year ended 31 March 2010	New Zealand $Millions Audited	Australia $Millions Audited	Europe $Millions Audited	Eliminations $Millions Audited	Total $Millions Audited
Segment revenue - total	1,028.8	751.2	55.9	-	1,835.9
Share of earnings of Associate Companies	-	-	-	-	-
Inter-segment revenue	-	-	-	-	-
Segment revenue - external	1,028.8	751.2	55.9	-	1,835.9
EBITDAF	329.1	42.8	(8.6)	-	363.3
Interest revenue	23.0	3.2	1.5	(19.8)	7.9
Interest expense	(151.4)	(31.1)	(4.5)	19.8	(167.2)
Depreciation and amortisation	(77.3)	(28.5)	(8.2)	-	(114.0)
Financial derivative fair value movements	(1.4)	(66.1)	-	-	(67.5)
Investment transaction costs expensed	(2.6)	-	-	-	(2.6)
Realisations	115.5	-	15.2	-	130.7
Impairment losses	(6.2)	-	(38.1)	-	(44.3)
Taxation expense	(46.4)	25.2	9.9	-	(11.3)
Segment result	182.3	(54.5)	(32.8)	-	95.0
Non current assets (excluding financial instruments and deferred tax)	3,134.1	661.5	155.2	-	3,950.8
Total assets	3,245.5	1,096.0	166.9	-	4,508.4
Total liabilities	2,219.7	514.3	43.1	-	2,777.1
Capital expenditure/investment (including accruals)	70.6	117.0	5.4	-	193.0

The group has no significant reliance on any one customer.

(15) Commitments

Capital commitments	Consolidated 6 months ended 30 September 2010	6 months ended 30 September 2009	12 months ended 31 March 2010
	$Millions Unaudited	$Millions Unaudited	$Millions Audited
Committed but not contracted for	9.2	15.2	9.7
Contracted but not provided for	85.0	74.3	94.1
	94.2	89.5	162.1

The capital commitments relate principally to the construction of the Mahinerangi Wind Farm in Otago and the Highbank irrigation project in Canterbury.

Energy purchase commitments
TrustPower has a long term contract with Mighty River Power Limited to purchase the output from the Rotokawa geothermal power station until 31 March 2013, a contract with Pioneer Generation Limited to purchase all of the output from its various generation sites, and a contract with Ngawha Generation Limited to purchase all of the output from its Ngawha power station, these commitments cannot be quantified.

(16) Contingent liabilities

Subsidiaries have outstanding letters of credit to suppliers totalling $0.3 million (September 2009: $5.6 million, March 2010: $0.3 million), and performance bonds totalling $3.7 million (September 2009: $8.2 million, March 2010: $3.7 million)

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 management agreement with MCIM in the event that the Group sells its international or venture capital fund assets or valuation of the assets exceeds the performance thresholds set out in the management agreement.

NZ Bus Limited has guaranteed Mobil the payment of all monies payable under trade arrangements between Mobil and NZ Bus group companies.

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

During 2008 the European Commission opened formal proceedings alleging state aid in relation to Lübeck airport (owned and operated by Flughafen Lübeck GmbH, one of the Group's subsidiaries at that time). Infratil has now exercised a put option and sold its interest in Lübeck Airport back to the City of Lübeck. Lübeck is one out of six airports in Germany where the European Commission opened a formal proceeding. Infratil understands a significant number of other airports in Germany and elsewhere in the European Union are in earlier stages of investigation. Of the four matters being investigated, three relate to arrangements with Ryanair which were entered into prior to the sale of the airport to the Infratil Airports Europe Limited ("IAE"). IAE and Flughafen Lübeck GmbH have been working with Ryanair, the Hanseatic City of Lübeck and the government of the Federal Republic of Germany to refute these allegations of state aid, and their outcome is not expected to affect IAE's financial position. In relation to the fourth, IAE and Flughafen Lübeck GmbH fully maintain their legal and factual position that the open tender process in 2005 that resulted in the purchase of Flughafen Lübeck GmbH cannot by its very nature involve state aid and continue to be confident that they will be able to demonstrate this to the Commission and, if necessary, the European Court of Justice. 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

Bank guarantees totalling $43.1 million (September 2009: $40.8 million, March 2010: $45.3 million) have been issued to a range of counterparties to facilitate trading in the various energy markets and related transmission networks. These guarantees have the benefit of a Deed of Negative Pledge, Subordination and Guarantee from Infratil Limited and its wholly owned guaranteeing subsidiaries.

Inland Revenue is currently disputing the tax treatment adopted by TrustPower in relation to feasibility expenditure in the 2006, 2007 and 2008 financial years. TrustPower believes the tax treatment adopted is correct and is defending its position. Should Inland Revenue be completely successful in its claim, the resulting liability would give rise to an additional tax payment of $6.8 million and interest expense of $3.1 million Further TrustPower would need to revise its policy for claiming tax deductions for feasibility expenditure in the 2009 and future years. This would give rise to a further estimated tax payment of $4.5 million and interest expense of $0.3 million in respect of the 2009 and 2010 years.

TrustPower has provided a guarantee to Rangitata Diversion Race Management Limited (RDR) to allow RDR to borrow funds to purchase land. The maximum amount TrustPower could be liable to pay is $0.8 million (September 2009: nil, March 2010: $0.8 million). This maximum liability would only be payable if RDR was unable to service its debt and was unable to sell the land.

(17) 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. Transactions undertaken with Group companies have been entered into on an arm's length commercial basis.

Morrison & Co Infrastructure Management Limited ('MCIM') is the management company for the Company. MCIM received management fees in accordance with the management agreement of $8.5 million excluding GST (September 2009: $8.7 million, March 2010: $16.5 million excluding GST). Included in trade creditors is an amount of $1.5 million excluding GST (September 2009: $1.4 million, March 2010: $1.3 million excluding GST) for management fees for the month of September 2010 and an accrual of $5.9 million (excluding GST) for incentive fees payable under the management agreement for international portfolio investments.

MCIM is owned by H.R.L. Morrison & Co Group Limited ('MCO'). Messrs H R L Morrison and D P Saville are directors of the Company and Mr Bogoievski is Chief Executive Officer of MCO. Entities associated with Mr Morrison, Mr Saville and Mr Bogoievski own shares in MCO.

Other fees from MCO		Consolidated	
	6 months ended 30 September 2010	6 months ended 30 September 2009	12 months ended 31 March 2010
	$Millions Unaudited	$Millions Unaudited	$Millions Audited
Consulting	0.5	0.2	0.2
Financial management, accounting, treasury, compliance and administrative services	0.7	0.7	1.0
Risk management reporting	0.4	0.1	0.3
Investment banking services	-	-	3.6
Total other fees and services	1.6	1.0	5.1

Investment banking services in the 2010 year related to fees for the divestment of Fullers, EDL and the investment in the Shell New Zealand energy business, and were approved by the independent directors prior to the commitment.

(18) Events after balance date

Dividend

Subsequent to 30 September 2010 the Directors have approved an interim dividend of 2.5 cents per share to holders of fully paid ordinary shares to be paid on the 17th of December 2010.

Issuance of Bonds

TrustPower has issued $75 million of unsecured, unsubordinated bonds subsequent to balance date. These funds received will be used for general corporate purposes including repaying other debt.

Directory

Directors
D A R Newman (Chairman)
M Bogoievski
H R L Morrison
H J D Rolleston
D P Saville
M Tume
A Y Muh (alternate for D P Saville)

Registered Office
97 The Terrace
PO Box 320
Wellington
Telephone: 04 473 3663
Internet address: www.infratil.com

Manager
Morrison & Co Infrastructure Management
97 The Terrace
PO Box 1395
Wellington
Telephone: 04 473 2399
Facsimile: 04 473 2388
Internet address: www.hrlmorrison.com

Share Registrar
Link Market Services
138 Tancred Street
PO Box 384
Ashburton
Telephone: 03 308 8887
E-mail: lmsenquiries@linkmarketservices.com

Auditor
KPMG
10 Customhouse Quay
PO Box 996
Wellington

Bankers
ANZ National Bank
215-229 Lambton Quay
Wellington

Bank of New Zealand
80 Queen Street
Auckland

Commonwealth Bank of Australia
135 Albert Street
Auckland

Hong Kong and Shanghai Banking Corporation
195 Lambton Quay
Wellington

Industrial and Commercial Bank of China
220 George Street
Sydney

Kiwibank
155 The Terrace
Wellington

Westpac Banking Corporation
188 Quay Street
Auckland

Auditors' review report

To the shareholders of Infratil Limited

We have reviewed the attached interim financial statements in accordance with the Review Engagement Standards issued by the Institute of Chartered Accountants of New Zealand. The financial statements provide information about the past financial performance of Infratil Limited and its subsidiaries ("the Group") and its financial position as at 30 September 2010.

Directors' responsibilities

The Directors of Infratil Limited are responsible for the preparation of interim financial statements which give a true and fair view of the financial position of the Group as at 30 September 2010 and the results of its operations and cash flows for the 6 months ended on that date.

Reviewers' responsibilities

It is our responsibility to express an independent opinion on the interim financial statements presented by the Directors and report our opinion to you.

Basis of opinion

A review is limited primarily to enquiries of Group personnel and analytical review procedures applied to the financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Our firm has also provided other services to the Group in relation to taxation services. 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 auditors of the Group. The firm has no other relationship with, or interest in, the Group.

Review opinion

Based on our review, nothing has come to our attention that causes us to believe that the attached interim financial statements do not give a true and fair view of the financial position of the Group as at 30 September 2010, the results of its operations and cash flows for the 6 months ended on that date in accordance with NZ IAS 34 *Interim Financial Reporting.*

Our review was completed on 15 November 2010 and our opinion is expressed as at that date.

KPMG

KPMG Wellington