INFRATIL LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 SEPTEMBER 2012

	Notes	6 months ended 30 September 2012 $Millions Unaudited	6 months ended 30 September 2011 $Millions Unaudited	12 months ended 31 March 2012 $Millions Audited
Operating revenue		-	-	18.7
Dividends		130.9	400.0	400.0
Total revenue	4	130.9	400.0	418.7
Operating expenses	5	12.5	9.9	21.0
Total operating expenditure		12.5	9.9	21.0
Operating surplus before financing, derivatives, realisations and impairments		118.4	390.1	397.7
Net (loss)/gain on interest rate derivatives		(6.6)	(5.0)	(13.6)
Net investment realisations and (impairments)	4	(76.3)	(399.6)	(398.9)
Results from operating activities		35.5	(14.5)	(14.8)
Interest income		-	-	132.5
Interest expense		32.5	33.5	63.7
Net financing expense/(income)		32.5	33.5	(68.8)
Net surplus/(loss) before taxation		3.0	(48.0)	54.0
Taxation (refund)/expense	8	(1.1)	-	3.2
Net surplus/(loss) for the period		4.1	(48.0)	50.8
Net surplus/(loss) attributable to owners of the company		4.1	(48.0)	50.8
Other comprehensive income, after tax				
Fair value of movements in relation to executive share scheme		-	-	0.1
Other comprehensive income for the period, net of income tax		-	-	0.1
Total comprehensive income/(loss) for the period		4.1	(48.0)	50.9
Total comprehensive income for the period - owners of the Company		4.1	(48.0)	50.9
Earnings per share				
Basic (cents per share)		0.7	(8.0)	8.5
Diluted (cents per share)		0.7	(8.0)	8.5

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2012

	Notes	30 September 2012	30 September 2011	31 March 2012
		$Millions	$Millions	$Millions
		Unaudited	Unaudited	Audited
Cash and cash equivalents		-	-	-
Trade and other accounts receivable and prepayments		0.5	0.6	0.6
Current assets		0.5	0.6	0.6
Deferred tax		1.9	-	-
Investments in and advances to subsidiaries		1,491.9	1,389.1	1,530.5
Non current assets		1,493.8	1,389.1	1,530.5
Total assets		1,494.3	1,389.7	1,531.1
Accounts payable, accruals and other liabilities		8.7	8.7	18.4
Derivative financial instruments		-	14.6	-
Income tax payable		-	-	3.2
Infrastructure bonds	9	142.7	20.0	57.4
Total current liabilities		151.4	43.3	79.0
Derivative financial instruments		29.8	-	23.2
Infrastructure bonds	9	476.7	539.0	561.5
Perpetual Infratil infrastructure bonds	9	232.3	234.1	232.7
Non current liabilities		738.8	773.1	817.4
Attributable to owners of the Company		604.1	573.3	634.7
Total equity		604.1	573.3	634.7
Total equity and liabilities		1,494.3	1,389.7	1,531.1

Approved on behalf of the Board on 12 April 2013

Director

Director

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 SEPTEMBER 2012

	Notes	6 months ended 30 September 2012	6 months ended 30 September 2011	12 months ended 31 March 2012
		$Millions Unaudited	$Millions Unaudited	$Millions Audited
Cash flows from operating activities				
Cash was provided from:				
Receipts from customers		0.1	(0.2)	-
Interest received		-	-	-
Dividends		130.9	400.0	400.0
		131.0	399.8	400.0
Cash was disbursed to:				
Payments to suppliers and employees		(13.0)	(10.7)	(10.9)
Interest paid		(32.5)	(33.5)	(63.7)
Taxation paid		(4.0)	-	-
		(49.5)	(44.2)	(74.6)
Net cash inflow from operating activities	10	81.5	355.6	325.4
Cash flows from investing activities				
Cash was provided from:				
Proceeds from sale of investments		-	-	-
Advanced from subsidiaries		-	-	-
		-	-	-
Cash was disbursed to:				
Purchase of investments		-	-	-
Capitalisation of customer acquisition costs		-	-	-
Advanced to subsidiaries		(37.9)	(261.5)	(251.8)
		(37.9)	(261.5)	(251.8)
Net cash (outflow) from investing activities		(37.9)	(261.5)	(251.8)
Cash flows from financing activities				
Cash was provided from:				
Proceeds from issue of shares		3.6	2.7	5.3
Proceeds from issue of shares to non-controlling shareholders		-	-	-
Issue of bonds		-	12.2	103.1
		3.6	14.9	108.4
Cash was disbursed to:				
Repayment of bonds/PIIB buyback		(0.3)	(70.5)	(100.8)
Share buyback		(17.2)	(12.6)	(34.5)
Infrastructure bond issue expenses		-	-	(2.6)
Dividends paid to owners of the Company		(29.7)	(25.9)	(44.1)
		(47.2)	(109.0)	(182.0)
Net cash (outflow) from financing activities		(43.6)	(94.1)	(73.6)
Net cash movement		-	-	-
Cash balances at beginning of period		-	-	-
Cash at end of period		-	-	-

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2012
Attributable to equity holders of the Company

	Capital	Fair value reserve	Other reserves	Retained earnings	Total
	$Millions	$Millions	$Millions	$Millions	$Millions
Unaudited					
Balance as at 1 April 2012	421.4	-	0.3	213.0	634.7
Net surplus for the period	-	-	-	4.1	4.1
Other comprehensive income, after tax					
Fair value movements in relation to executive share scheme	-	-	-	-	-
Total comprehensive income for the period	-	-	-	4.1	4.1
Contributions by and distributions to owners					
Share buyback	(8.6)	-	-	-	(8.6)
Treasury stock reissued under dividend reinvestment plan	3.6	-	-	-	3.6
Dividends to equity holders	-	-	-	(29.7)	(29.7)
Total contributions by and (distributions) to owners	(5.0)	-	-	(29.7)	(34.7)
Balance as at 30 September 2012	416.4	-	0.3	187.4	604.1
Unaudited					
Balance as at 1 April 2011	450.6	-	0.2	206.3	657.1
Net (loss) for the period	-	-	-	(48.0)	(48.0)
Other comprehensive income, after tax					
Fair value movements in relation to executive share scheme	-	-	-	-	-
Total comprehensive income for the period	-	-	-	(48.0)	(48.0)
Contributions by and distributions to owners					
Share buyback	(12.6)	-	-	-	(12.6)
Treasury stock reissued under dividend reinvestment plan	2.7	-	-	-	2.7
Dividends to equity holders	-	-	-	(25.9)	(25.9)
Total contributions by and (distributions) to owners	(9.9)	-	-	(25.9)	(35.8)
Balance as at 30 September 2011	440.7	-	0.2	132.4	573.3
Audited					
Balance as at 1 April 2011	450.6	-	0.2	206.3	657.1
Net surplus for the period	-	-	-	50.8	50.8
Other comprehensive income, after tax					
Fair value movements in relation to executive share scheme	-	-	0.1	-	0.1
Total comprehensive income for the period	-	-	0.1	50.8	50.9
Contributions by and distributions to owners					
Share buyback	(34.5)	-	-	-	(34.5)
Treasury stock reissued under dividend reinvestment plan	5.3	-	-	-	5.3
Dividends to equity holders	-	-	-	(44.1)	(44.1)
Total contributions by and (distributions) to owners	(29.2)	-	-	(44.1)	(73.3)
Balance as at 31 March 2012	421.4	-	0.3	213.0	634.7

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2012

(1) Accounting policies

Basis of preparation

These unaudited condensed half year financial statements of Infratil Limited ("the Company") have been prepared in accordance with NZ IAS 34 Interim Financial Reporting. These condensed half year financial statements also comply with IAS 34 Interim Financial Reporting. The unaudited condensed financial statements for the six months to 30 September 2012 have been prepared in accordance with the accounting policies stated in the published financial statements for the year ended 31 March 2012 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.

These are not the consolidated interim financial statements of the Infratil Group. The consolidated interim group financial statements can be obtained from Infratil's website http://www.infratil.com/for-investors/company-reports/.

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

A number of new standards, amendments to standards and interpretations have been issued but are not yet effective for interim periods ending on 30 September 2012, 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 Company, with the exception of:

Amendment to NZ IAS 1 - Presentation of Financial Statements - Presentation of Items in Other Comprehensive Income

The amendment requires items of other comprehensive income to be grouped into those that will and will not subsequently be reclassified to profit or loss. Tax on items of other comprehensive income is required to be allocated on the same basis. The measurement and recognition of items of profit or loss and other comprehensive income are not affected by the amendments.

These amendments come into effect for periods beginning on or after 1 July 2012 and have not been early adopted by the Company.

(2) Discontinued operations

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

(3) Nature of business

Infratil Limited is the parent company of the Infratil Group which 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 5 Market Lane, Wellington, New Zealand.

(4) Income

	6 months ended 30 September 2012	6 months ended 30 September 2011	12 months ended 31 March 2012
	$Millions Unaudited	$Millions Unaudited	$Millions Audited
Operating revenue	-	-	-
Dividends	130.9	400.0	400.0
Inter-company charges	-	-	18.7
	130.9	400.0	418.7
Investment realisations and impairments	(76.3)	(399.6)	(398.9)
Investment transaction costs expensed	-	-	-
	(76.3)	(399.6)	(398.9)

During the period, the Company reviewed the carrying value of an advance to a subsidary company and established that there was objective evidence that the Company will not be able to recover the full value of this advance. As a result, the Company has recognised an impairment to this advance.

(5) Other operating expenses

	Note	6 months ended 30 September 2012	6 months ended 30 September 2011	12 months ended 31 March 2012
Fees paid to auditors		$Millions Unaudited	$Millions Unaudited	$Millions Audited
Audit fees		0.1	0.1	0.2
Taxation and other services		0.1	-	-
Directors' fees		0.2	0.3	0.6
Administration and other		4.1	2.2	5.5
Management fee (to related party MCIM)	14	8.0	7.3	14.7
Total other operating expenses		12.5	9.9	21.0

(6) Seasonality

There are no seasonality effects on the operations of the Company.

(7) Share Capital

Ordinary shares (fully paid)	6 months ended 30 September 2012 Unaudited	6 months ended 30 September 2011 Unaudited	12 months ended 31 March 2012 Audited
Total issued capital at the beginning of the period	586,930,830	602,806,392	602,806,392
Movements in issued and fully paid ordinary shares during the year			
Share buybacks held as treasury stock	(4,500,000)	(7,543,410)	(18,743,410)
Treasury stock reissued under Dividend Reinvestment Plan	1,812,092	1,420,205	2,867,848
Total issued capital at the end of the period	584,242,922	596,683,187	586,930,830

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.

Infratil Warrants (IFTWC's)	6 months ended 30 September 2012 Unaudited	6 months ended 30 September 2011 Unaudited	12 months ended 31 March 2012 Audited
Total warrants at the beginning of the period	52,825,458	52,825,458	52,825,458
Warrants lapsed	(52,825,458)	-	-
Total warrants at the end of the period	-	52,825,458	52,825,458

Each IFTWC held entitled holders to acquire a further share in the Company at a price of $4.12 on, or before, 29 June 2012. During the period, the IFTWCs lapsed unexercised.

Dividends paid on ordinary shares (cents per share)	6 months ended 30 September 2012 Unaudited	6 months ended 30 September 2011 Unaudited	12 months ended 31 March 2012 Audited
Final dividend prior year	5.00	4.25	4.25
Interim dividend paid current year	-	-	3.00
	5.00	4.25	7.25

Dividends paid on ordinary shares ($ millions)	6 months ended 30 September 2012 Unaudited	6 months ended 30 September 2011 Unaudited	12 months ended 31 March 2012 Audited
Final dividend prior year	29.7	25.9	25.9
Interim dividend paid current year	-	-	18.2
	29.7	25.9	44.1

(8) Taxation

	6 months ended 30 September 2012 $Millions Unaudited	6 months ended 30 September 2011 $Millions Unaudited	12 months ended 31 March 2012 $Millions Audited
Net surplus/(loss) before taxation	3.0	(48.0)	54.0
Taxation on the surplus for the period	0.8	(13.4)	15.1
Plus/(less) taxation adjustments:			
Net benefit of imputation credits	-	-	-
Exempt dividends	(36.6)	(112.0)	(112.0)
Tax losses not recognised	12.4	12.1	(16.0)
Temporary differences not recognised	-	1.4	3.9
(Over)/Under provision in prior years	0.8	-	-
Net investments (realisations)/impairment	21.4	111.9	112.0
Other permanent differences	0.1	-	0.2
Taxation expense	(1.1)	-	3.2
Current taxation	0.8	-	3.2
Deferred taxation	(1.9)	-	-

(9) Infrastructure bonds

	30 September 2012 $Millions Unaudited	30 September 2011 $Millions Unaudited	31 March 2012 $Millions Audited
Balance at the beginning of the period	851.6	854.8	854.8
Issued during the period	-	18.4	99.5
Matured during the period	-	(69.5)	(83.4)
Exchanged during the period	-	(9.8)	(15.9)
Purchased by Infratil during the period	(0.6)	(1.0)	(2.5)
Bond issue costs capitalised during the period	-	(0.3)	(2.0)
Bond issue costs amortised during the period	0.7	0.5	1.1
Balance at the end of the period	851.7	793.1	851.6
Current	142.7	20.0	57.4
Non current fixed coupon	476.7	539.0	561.5
Non current perpetual - variable coupon	232.3	234.1	232.7
Balance at the end of the period	851.7	793.1	851.6
Repayment terms and interest rates:			
Maturing in November 2011, 8.5% per annum fixed coupon rate	-	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 June 2016, 8.5% per annum fixed coupon rate	100.0	100.0	100.0
Maturing in June 2017, 8.5% per annum fixed coupon rate	66.3	66.3	66.3
Maturing in November 2017, 8.0% per annum fixed coupon rate	81.1	-	81.1
Maturing in February 2020, 8.5% per annum fixed coupon rate	80.5	80.5	80.5
Perpetual Infratil infrastructure bonds (PIIBs)	235.2	237.3	235.8
Bond issue costs capitalised and amortised over term	(6.9)	(6.5)	(7.6)
Balance at the end of the period	851.7	793.1	851.6

Fixed coupon

The fixed coupon bonds the Company has on issue are at a face value of $1.00 per bond. Interest is payable quarterly on the bonds. 25 days prior to the maturity date of bonds issued prior to November 2011, Infratil can elect to redeem those 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 235,242,200 (September 2011: 237,293,200, March 2012: 235,762,200) 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 2012 the coupon is fixed at 4.22% per annum (September 2011: 4.99%, March 2012: 4.22%). 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. 520,000 (September 2011: 1,038,000, March 2012: 2,569,000) of PIIBs were repurchased by Infratil Limited during the period.

At 30 September 2012 the Infrastructure bonds had a fair value of $797.2m (30 September 2011: $708.7m, 31 March 2012: $776.4m).

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

	6 months ended 30 September 2012 $Millions Unaudited	6 months ended 30 September 2011 $Millions Unaudited	12 months ended 31 March 2012 $Millions Audited
Net surplus/(loss) for the period	4.1	(48.0)	50.8
Less items classified as investing activity			
Loss on investment realisations and impairments	76.3	399.6	398.9
Add items not involving cash flows			
Movement in financial derivatives taken to the profit or loss	6.6	5.0	13.6
Increase/(Decrease) in deferred tax liability excluding transfers to reserves	-	-	-
Non cash movements in advance to subsidiaries	-	-	(151.2)
Depreciation	-	-	-
Provision for bad debts	-	-	-
Amortisation	-	-	-
Other	0.6	0.5	1.0
Movements in working capital			
Change in receivables	0.1	(0.2)	-
Change in trade payables	(1.1)	(1.3)	9.1
Change in accruals and other liabilities	-	-	-
Change in current and deferred taxation	(5.1)	-	3.2
Net cash flow from operating activities	81.5	355.6	325.4

(11) Commitments

The Company has no outstanding commitments (September 2011: nil, March 2012: nil)

(12) Segments

The Company currently operates within one primary segment, being the investment in companies which invest in infrastructure and utility assets. The Company currently operates within one geographical segment, being the investment in New Zealand companies.

(13) Contingent liabilities

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

The Company has a contingent liability under the management agreement with MCIM in the event that the Company sells its international or venture capital fund assets or valuation of the assets exceeds the performance thresholds set out in the management agreement.

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

(14) Related parties

The company has a loan advanced to 100% owned subsidiary Infratil Finance Limited of $1,392m (30 September 2011: $1,289m, 31 March 2012: $1,431m).

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 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 $8.0 million (excluding GST) (September 2011: $7.3 million, March 2012: $14.7 million) from the Company. Included in trade creditors is an amount owing to MCIM of $1.8 million (excluding GST) (September 2011: $1.5 million, March 2012: $1.8 million).

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

Other fees paid by the Company to MCIM, MCO or its related parties are:	6 months ended 30 September 2012	6 months ended 30 September 2011	12 months ended 31 March 2012
	$Millions Unaudited	$Millions Unaudited	$Millions Audited
Financial management, accounting, treasury, compliance and administrative services	0.6	0.5	1.0
Investment banking services	0.6	0.1	0.5
Total other fees and services	1.2	0.6	1.5

(15) Events after balance date

Dividend

Subsequent to 30 September 2012 the Directors approved a fully imputed interim dividend of 3.25 cents per share to holders of fully paid ordinary shares which was paid on the 14th of December 2012.

Maturity of Bonds

On the 15th of November 2012, Infratil's 7.75% per annum fixed coupon rate November 2012 bonds matured. On this date $21.0 million of bonds were repaid, $36.4 million bonds were exchanged for infrastructure bonds maturing in November 2018, and the final interest payment was made on the maturing bonds.

Issuance of Bonds

Subsequent to 30 September 2012 Infratil issued $111.4 million of Infrastructure Bonds with a fixed annual coupon rate of 6.5% p.a maturing on the 15th of November 2018. Of the $111.4 million, $36.4 million were exchanges from the bonds which matured in November 2012.

Directory

Directors
D A R Newman (Chairman)
M Bogoievski
H J D Rolleston
D P Saville
M Tume
A Y Muh (alternate to D P Saville)
P Gough (appointed 4 December 2012)

Company Secretary
K Baker

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