

**Key Metrics - For the six months ended 30 September**

	2016	2015	2014	2013	2012
Earnings Before Interest, Tax, Depreciation, Amortisation, Fair Value Movements of Financial Instruments, Asset Impairments and Discount on Acquisition (EBITDAF) (\$M)	176	185	173	153	166
Profit After Tax (\$M)	57	61	89	77	70
Underlying earnings after tax (\$M)	69	69	67	70	76
Basic earnings per share (cents per share)	18	19	29	25	22
Underlying earnings per share (cents per share)	22	22	22	22	24
Dividends paid during the period (cents per share)	21	21	20	20	20
Gearing ratio	41%	41%	45%	40%	35%
Net tangible assets per share (dollars per share)	5.59	5.69	4.70	4.74	4.82
<b>Customers, Sales and Service</b>					
Electricity connections (000s)	278	252	234	218	206
Telecommunication customers (000s)	69	51	35	29	26
Gas connections (000s)	31	28	21	10	-
Total utility accounts	378	331	290	257	232
Customers with two or more utilities (000s)	84	66	46	31	16
Mass market sales - fixed price (GWh)	1,066	981	893	851	910
Time of use sales - fixed price (GWh)	417	414	410	312	375
Time of use sales - spot price (GWh)	652	752	748	668	701
Total customer sales (GWh)	2,134	2,147	2,051	1,831	1,986
Average spot price of electricity purchased (\$/MWh)	58	60	69	71	96
Gas Sales (TJ)	664	744	542	241	-
Annualised customer churn rate	17%	16%	14%	14%	13%
Annualised customer churn rate - total market	21%	22%	19%	21%	19%
<b>Generation Production and Procurement</b>					
North Island hydro generation production (GWh)	518	381	304	313	435
South Island hydro generation production (GWh)	541	574	606	562	555
Total hydro generation production (GWh)	1,059	955	910	875	990
North Island wind generation production (GWh)	302	285	263	290	254
South Island wind generation production (GWh)	58	67	52	53	48
Total wind generation production (GWh)	360	352	315	343	302
Total New Zealand generation production (GWh)	1,419	1,307	1,225	1,218	1,292
Average spot price of electricity generated (\$/MWh)	55	54	63	68	97
Net third party fixed price volume purchased (GWh)	511	453	342	274	299
Australian wind generation production (GWh)	673	596	584	193	186
Australian hydro generation production (GWh)	100	68	35	-	-
Total Australian generation production (GWh)	773	664	536	386	376
<b>Other Information</b>					
Resource consent non-compliance events	4	4	2	1	4
Staff numbers (full time equivalents)	813	675	611	542	457

**TRUSTPOWER LIMITED AND SUBSIDIARIES**  
**FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2016**

The Directors are pleased to present the financial statements of Trustpower Limited and subsidiaries for the six months ended 30 September 2016.

The Directors are responsible for ensuring that the financial statements give a true and fair view of the financial position of the Group as at 30 September 2016 and the financial performance and cash flows for the period ended on that date.

The Directors consider that the financial statements of the Group have been prepared using appropriate accounting policies, consistently applied and supported by reasonable judgements and estimates and that all relevant financial reporting and accounting standards have been followed.

The Directors believe that proper accounting records have been kept that enable, with reasonable accuracy, the determination of the financial position of the Group and facilitate compliance of the financial statements with the Financial Markets Conduct Act 2013.

The Directors consider that they have taken adequate steps to safeguard the assets of the Group to prevent and detect fraud and other irregularities.



Paul Ridley-Smith  
Chairman



Geoff Swier  
Director

Company Registration Number HN604040  
Dated: 7 November 2016

**TRUSTPOWER LIMITED AND SUBSIDIARIES  
CONSOLIDATED INCOME STATEMENT  
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2016**

	Note	Unaudited 6 Months September 2016 \$000	Restated* 6 Months September 2015 \$000	Restated* 12 Months March 2016 \$000
<b>Operating Revenue</b>				
Electricity revenue		509,821	489,796	929,168
Telecommunications revenue		31,045	21,218	47,532
Gas revenue		16,800	17,777	27,255
Other operating revenue		12,619	8,270	24,598
		<b>570,285</b>	<b>537,061</b>	<b>1,028,553</b>
<b>Operating Expenses</b>				
Line costs		159,842	153,573	289,750
Electricity costs		68,446	72,469	143,763
Generation production costs		41,375	35,082	68,893
Employee benefits		33,869	27,124	56,198
Telecommunications cost of sales		23,740	16,573	38,188
Gas cost of sales		12,739	11,244	20,000
Other operating expenses		54,194	35,660	78,830
		<b>394,205</b>	<b>351,725</b>	<b>695,622</b>
<b>Earnings Before Interest, Tax, Depreciation, Amortisation, Fair Value Movements of Financial Instruments, Asset Impairments and Discount on Acquisition (EBITDAF)</b>				
		<b>176,080</b>	<b>185,336</b>	<b>332,931</b>
Impairment of assets		-	-	3,610
Discount on acquisition		-	-	(2,114)
Net fair value (gains)/losses on financial instruments		5,477	3,019	6,327
Amortisation of intangible assets		7,478	7,105	14,901
Depreciation		51,966	50,141	102,137
<b>Operating Profit</b>		<b>111,159</b>	<b>125,071</b>	<b>208,070</b>
Interest paid		35,425	44,015	81,510
Interest received		(249)	(27)	(432)
Net finance costs		35,176	43,988	81,078
<b>Profit Before Income Tax</b>		<b>75,983</b>	<b>81,083</b>	<b>126,992</b>
Income tax expense	9	18,943	20,504	34,327
<b>Profit After Tax</b>		<b>57,040</b>	<b>60,579</b>	<b>92,665</b>
Profit after tax attributable to the shareholders of the Company		56,794	60,579	91,969
Profit after tax attributable to non-controlling interests		246	-	696
Basic and diluted earnings per share (cents per share)		18.1	19.4	29.4

The Board of Trustpower Limited authorised these Interim Financial Statements for issue on 4 November 2016.

\*Certain comparative numbers have been restated due to the election to early adopt NZ IFRS 15 *Revenue from Contracts with Customers*. See note 1 for more detail.

The accompanying notes form part of these interim financial statements

**TRUSTPOWER LIMITED AND SUBSIDIARIES  
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2016**

	<b>Unaudited 6 Months September 2016 \$000</b>	<b>Restated* 6 Months September 2015 \$000</b>	<b>Restated* 12 Months March 2016 \$000</b>
Profit after tax	57,040	60,579	92,665
<b>Other Comprehensive Income</b>			
<b>Items that may be reclassified subsequently to profit or loss:</b>			
Revaluation gains on generation assets	-	-	47,141
Currency translation differences on revaluation reserve	(17,659)	22,395	24,359
Other currency translation differences	(5,348)	6,490	7,448
Fair value (losses)/gains on cash flow hedges	(646)	(9,108)	(8,750)
Tax effect of the following:			
Revaluation gains on generation assets	-	-	(12,874)
Currency translation differences	(8,737)	13,989	14,799
Fair value losses/(gains) on cash flow hedges	181	2,550	2,450
<b>Total Other Comprehensive Income</b>	<b>(32,209)</b>	<b>36,316</b>	<b>74,573</b>
<b>Total Comprehensive Income</b>	<b>24,831</b>	<b>96,895</b>	<b>167,238</b>
Attributable to shareholders of the Company	24,585	96,895	166,542
Attributable to non-controlling interests	246	-	696

\*Certain comparative numbers have been restated due to the election to early adopt NZ IFRS 15 *Revenue from Contracts with Customers*. See note 1 for more detail.

The accompanying notes form part of these interim financial statements

**TRUSTPOWER LIMITED AND SUBSIDIARIES  
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2016**

Note	Share capital \$000	Revaluation reserve \$000	Cash flow hedge reserve \$000	Foreign Currency Translation Reserve \$000	Retained earnings \$000	Total Shareholder's Equity \$000	Non-controlling interest \$000	Total Equity \$000
<b>Opening balance as at 1 April 2015</b>	158,586	1,298,494	4,806	(19,937)	375,595	1,817,544	-	1,817,544
Total comprehensive income for the period	-	22,395	(6,558)	20,479	60,579	96,895	-	96,895
Disposal of revalued assets	-	(85)	-	-	85	-	-	-
<i>Transactions with owners recorded directly in equity</i>								
Purchase of treasury shares by Directors	155	-	-	-	-	155	-	155
Dividends paid	-	-	-	-	(65,712)	(65,712)	-	(65,712)
Total transactions with owners recorded directly in equity	155	-	-	-	(65,712)	(65,557)	-	(65,557)
<b>Restated closing balance as at 30 September 2015</b>	158,741	1,320,804	(1,752)	542	370,547	1,848,882	-	1,848,882
<b>Opening balance as at 1 October 2015</b>	158,741	1,320,804	(1,752)	542	370,547	1,848,882	-	1,848,882
Total comprehensive income for the period	-	36,231	258	1,768	31,390	69,647	696	70,343
Disposal of revalued assets	-	(2)	-	-	2	-	-	-
<i>Contributions by and distributions to non-controlling interest</i>								
Minority interest arising on acquisition of subsidiary	-	-	-	-	-	-	57,370	57,370
Acquisition of shares held by outside equity interest	-	-	-	-	-	-	(12,687)	(12,687)
<i>Transactions with owners recorded directly in equity</i>								
Purchase of treasury shares by Directors	155	-	-	-	-	155	-	155
Dividends paid	-	-	-	-	(65,291)	(65,291)	-	(65,291)
Total transactions with owners recorded directly in equity	155	-	-	-	(65,291)	(65,136)	-	(65,136)
<b>Restated closing balance as at 31 March 2016</b>	158,896	1,357,033	(1,494)	2,310	336,648	1,853,393	45,379	1,898,772
<b>Opening balance as at 1 April 2016</b>	158,896	1,357,033	(1,494)	2,310	336,648	1,853,393	45,379	1,898,772
Total comprehensive income for the period	-	(17,659)	(465)	(14,085)	56,794	24,585	246	24,831
Disposal of revalued assets	-	-	-	-	-	-	-	-
<i>Contributions by and distributions to non-controlling interest</i>								
Acquisition of shares held by outside equity interest	-	-	-	-	-	-	(708)	(708)
<i>Transactions with owners recorded directly in equity</i>								
Purchase of treasury shares by Directors	-	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	(65,820)	(65,820)	(1,277)	(67,097)
Total transactions with owners recorded directly in equity	-	-	-	-	(65,820)	(65,820)	(1,277)	(67,097)
<b>Unaudited closing balance as at 30 September 2016</b>	158,896	1,339,374	(1,959)	(11,775)	327,622	1,812,158	43,640	1,855,798

\*Certain comparative numbers have been restated due to the election to early adopt NZ IFRS 15 *Revenue from Contracts with Customers*. See note 1 for more detail.

The accompanying notes form part of these interim financial statements

**TRUSTPOWER LIMITED AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 SEPTEMBER 2016**

	Note	Unaudited September 2016 \$000	Restated* September 2015 \$000	Restated* March 2016 \$000
<b>Equity</b>				
<i>Capital and reserves attributable to shareholders of the Company</i>				
Share capital	8	158,896	158,741	158,896
Revaluation reserve		1,339,374	1,320,804	1,357,033
Retained earnings		327,622	370,547	336,648
Cash flow hedge reserve		(1,959)	(1,752)	(1,494)
Foreign currency translation reserve		(11,775)	542	2,310
Non-controlling interests		43,640	-	45,379
<b>Total Equity</b>		<b>1,855,798</b>	<b>1,848,882</b>	<b>1,898,772</b>
<i>Represented by:</i>				
<b>Current Assets</b>				
Cash at bank		40,480	8,573	13,344
Other deposits		545	-	3,647
Accounts receivable and prepayments		151,319	160,527	143,494
Derivative financial instruments		2,845	2,362	3,515
Land and buildings held for sale		-	7,189	7,189
Taxation receivable		685	166	-
		<b>195,874</b>	<b>178,817</b>	<b>171,189</b>
<b>Non Current Assets</b>				
Accounts receivable and prepayments		4,102	2,414	3,365
Property, plant and equipment		3,495,108	3,387,543	3,586,094
Derivative financial instruments		4,617	5,618	4,306
Other investments		8	1,892	8
Intangible assets		61,957	68,491	65,566
		<b>3,565,792</b>	<b>3,465,958</b>	<b>3,659,339</b>
<b>Total Assets</b>		<b>3,761,666</b>	<b>3,644,775</b>	<b>3,830,528</b>
<b>Current Liabilities</b>				
Accounts payable and accruals		106,445	96,245	106,387
Unsecured subordinated bonds	6	-	100,000	-
Unsecured senior bonds	6	65,000	-	65,000
Unsecured bank loans	6	243,931	28,649	209,065
Derivative financial instruments		8,278	2,976	6,143
Taxation payable		5,814	6,944	3,152
		<b>429,468</b>	<b>234,814</b>	<b>389,747</b>
<b>Non Current Liabilities</b>				
Unsecured bank loans	6	684,659	736,591	744,626
Unsecured subordinated bonds	6	139,205	138,902	139,069
Unsecured senior bonds	6	178,985	243,422	178,704
Derivative financial instruments		36,219	32,938	33,422
Accounts payable and accruals		2,816	3,440	3,232
Deferred tax liability	10	434,516	405,786	442,956
		<b>1,476,400</b>	<b>1,561,079</b>	<b>1,542,009</b>
<b>Total Liabilities</b>		<b>1,905,868</b>	<b>1,795,893</b>	<b>1,931,756</b>
<b>Net Assets</b>		<b>1,855,798</b>	<b>1,848,882</b>	<b>1,898,772</b>
Net Tangible Assets Per Share		<b>\$5.59</b>	<b>\$5.69</b>	<b>\$5.72</b>

\*Certain comparative numbers have been restated due to the election to early adopt NZ IFRS 15 *Revenue from Contracts with Customers*. See note 1 for more detail.

**TRUSTPOWER LIMITED AND SUBSIDIARIES  
CONSOLIDATED CASH FLOW STATEMENT  
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2016**

Note	Unaudited 6 Months September 2016 \$000	Unaudited 6 Months September 2015 \$000	Audited 12 Months March 2016 \$000
<b>Cash Flows from Operating Activities</b>			
<i>Cash was provided from:</i>			
Receipts from customers	556,399	516,874	1,043,448
	<b>556,399</b>	<b>516,874</b>	<b>1,043,448</b>
<i>Cash was applied to:</i>			
Payments to suppliers and employees	391,073	365,744	715,652
Taxation paid	26,457	24,832	46,667
	<b>417,530</b>	<b>390,576</b>	<b>762,319</b>
<b>Net Cash Flow from Operating Activities</b>	<b>138,869</b>	<b>126,298</b>	<b>281,129</b>
<b>Cash Flows from Investing Activities</b>			
<i>Cash was provided from:</i>			
Sale of property, plant & equipment	8,375	22	57
Sale of other investments	-	-	1,884
Return of bond deposits on trust	-	800	800
Return of electricity market security deposits	3,069	4,250	8,773
Interest received	254	27	432
	<b>11,698</b>	<b>5,099</b>	<b>11,946</b>
<i>Cash was applied to:</i>			
Lodgement of electricity market security deposits	-	1,887	10,482
Purchase of property, plant and equipment	21,201	11,152	36,903
Purchase of business	-	-	63,912
Purchase of minority interest	708	-	12,687
Purchase of intangible assets	3,896	3,390	5,830
	<b>25,805</b>	<b>16,429</b>	<b>129,814</b>
<b>Net Cash Flow used in Investing Activities</b>	<b>(14,107)</b>	<b>(11,330)</b>	<b>(117,868)</b>
<b>Cash Flows from Financing Activities</b>			
<i>Cash was provided from:</i>			
Bank loan proceeds	118,656	100,900	488,433
Issue of shares	-	155	310
	<b>118,656</b>	<b>101,055</b>	<b>488,743</b>
<i>Cash was applied to:</i>			
Repayment of bank loans	114,046	117,741	347,078
Repayment of subordinated bonds	-	-	100,000
Interest paid	34,720	38,268	75,625
Dividends paid to owners of the Company	65,820	65,712	131,002
Dividends paid to non-controlling shareholders in subsidiary companies	1,277	-	-
	<b>215,863</b>	<b>221,721</b>	<b>653,705</b>
<b>Net Cash Flow used in Financing Activities</b>	<b>(97,207)</b>	<b>(120,666)</b>	<b>(164,962)</b>
<b>Net Increase/(Decrease) in Cash, Cash Equivalents and Bank Overdrafts</b>	<b>27,555</b>	<b>(5,698)</b>	<b>(1,701)</b>
Cash, cash equivalents and bank overdrafts at beginning of the period	13,344	14,057	14,057
Exchange (losses)/gains on cash	(419)	214	988
<b>Cash, Cash Equivalents and Bank Overdrafts at End of the Period</b>	<b>40,480</b>	<b>8,573</b>	<b>13,344</b>

## NOTES TO THE INTERIM FINANCIAL STATEMENTS

### Note 1: Basis of Preparation

#### Reporting entity

The reporting entity is the consolidated group comprising Trustpower Limited and its New Zealand and Australian subsidiaries together referred to as Trustpower. The principal activities of Trustpower are the development, ownership and operation of electricity generation facilities from renewable energy sources and the retail sale of energy and telecommunications services to its customers.

Trustpower Limited is registered under the Companies Act 1993, is listed on the New Zealand Stock Exchange (NZX) and is an FMC Reporting Entity under the Financial Markets Conduct Act 2013.

#### Basis of preparation

These unaudited condensed interim financial statements have been prepared for the six months ended 30 September 2016. These financial statements provide an update on the interim performance of Trustpower, and should be read in conjunction with the full year financial statements presented for the year ended 31 March 2016 from which, apart from the change noted below, the same accounting policies and methods of computation have been followed.

The interim financial statements are prepared in accordance with:

- NZ IAS 34 *Interim Financial Reporting* and IAS 34 *Interim Financial Reporting*.
- New Zealand Generally Accepted Accounting Practice (NZGAAP).
- the accounting policies and methods of computation in the most recent annual financial statements.
- the Financial Markets Conduct Act 2013, and NZX equity listing rules.
- New Zealand equivalents to International Financial Reporting Standards (NZ IFRS), International Financial Reporting Standards (IFRS) and other applicable New Zealand Financial Reporting Standards, as appropriate for profit oriented entities.

In preparing the financial statements we have:

- Recorded all transactions at the actual amount incurred (historical cost convention), except for generation assets and derivatives which are recorded at fair value.
- Reported in 'New Zealand Dollars' (NZD) rounded to the nearest thousand.

As of 31 October 2016, Trustpower Limited is in liquidation as a result of the demerger transaction described in note 2. The interim accounts of Trustpower Limited have been prepared on the going concern basis as this best represents the value realised upon formation of Tilt Renewables and New Trustpower.

#### Seasonality

The individual segments of Retail and NZ Generation are subject to seasonality due to seasonal differences in the demand for electricity and in the wholesale electricity price. However as a group these differences partially offset each other.

#### Adoption of new accounting policy

Trustpower has elected to early adopt NZ IFRS 15 *Revenue from Contracts with Customers*. One effect of the early adoption of this standard is a change to Trustpower's accounting policy relating to the treatment of costs directly incurred acquiring new customers and retaining existing customers. Trustpower's previous policy was to expense these costs immediately in the period in which they occurred. The new policy will see those costs capitalised and amortised over the expected life of the customer relationship. The amortisation of direct customer incentives will now be shown as a discount to revenue rather than other operating expenses. The early adoption of NZ IFRS 15 was made due to the additional clarity it provides to accounting for these customer acquisition costs combined with the increase in Trustpower's customer acquisition activity over recent years.

The other major change as a result of adopting NZ IFRS 15 is the treatment of bundled services. Where Trustpower sells more than one service to a customer and discounts one of those services this discount is spread across the revenue from all services in that bundle.

The effect of this change in accounting policy is shown below:

	Unaudited 6 Months September 2015 \$000	Adjustment \$000	Restated 6 Months September 2015 \$000
<b>6 months ended 30 September 2015</b>			
<b>Consolidated Income Statement effect</b>			
Electricity revenue	492,262	(2,466)	489,796
Telecommunications revenue	22,306	(1,088)	21,218
Other operating expenses	40,371	(4,711)	35,660
Income tax expense	20,180	324	20,504
Profit After Tax	59,746	833	60,579
Earnings per share (cents per share)	19.1	0.3	19.4
<b>Consolidated Statement of Financial Position</b>			
Retained earnings	362,406	8,141	370,547
Accounts receivable and prepayments	149,220	11,307	160,527
Deferred tax liability	402,620	3,166	405,786
<b>12 months ended 31 March 2016</b>			
	Audited 12 Months March 2016 \$000	Adjustment \$000	Restated 12 Months March 2016 \$000
<b>Consolidated Income Statement effect</b>			
Electricity revenue	933,895	(4,727)	929,168
Telecommunications revenue	50,792	(3,260)	47,532
Other operating expenses	90,734	(11,904)	78,830
Income tax expense	33,230	1,097	34,327
Profit After Tax	89,845	2,820	92,665
Earnings per share (cents per share)	28.5	0.9	29.4
<b>Consolidated Statement of Financial Position</b>			
Retained earnings	326,520	10,128	336,648
Accounts receivable and prepayments	129,427	14,067	143,494
Deferred tax liability	439,017	3,939	442,956

The amount of the adjustment relating to periods before those presented was an increase in 'Accounts receivable and prepayments' of \$10,150,000, 'Retained earnings' of \$7,308,000 and 'Deferred tax liability' of \$2,842,000.



## Note 2: Demerger

On 9 September 2016 Trustpower's shareholders voted to demerge the Company into two separate entities in accordance with the principles laid out in the demerger Scheme Booklet published in August 2016. The first, known as New Trustpower, will focus on multi-product retailing in New Zealand and hydro electricity generation in New Zealand and Australia. The second, Tilt Renewables, will focus on the development and operation of wind and solar generation assets in New Zealand and Australia. The demerger took effect on 31 October 2016.

As a result of the common control nature of the demerger transaction, when the two demerged entities report publicly for the first time they will report as if the entities had been demerged for the full reporting period including comparative periods. The tables below show what the income statement and statement of financial position for the two demerged entities would have looked like had the demerger taken effect on 30 September 2016. The statements of financial position may differ when this is recalculated at the actual demerger date.

The numbers below have been restated in accordance with the adoption of NZ IFRS 15, see note 1 for details.

In some instances the New Trustpower and Tilt Renewables numbers do not add directly to the Trustpower group numbers. In all cases this involves reallocations between two lines of the financial statements. An explanation of the material adjustments is given below:

(A) Trustpower in New Zealand is an integrated generator and retailer of electricity. As such the value of electricity generated affects the income statement by reducing the electricity cost expense rather than increasing a revenue line. When the New Zealand wind farms are owned by Tilt Renewables this will no longer be the case and the value of this generated electricity will be recorded as revenue. It should be noted that the revenue shown for Tilt Renewables does not include the effect of the power purchase agreement between New Trustpower and Tilt Renewables which has only come into effect post demerger.

(B) Interest payable between companies in the Trustpower group is eliminated for reporting the Trustpower consolidated group. The demerged financial statements do not eliminate this interest resulting in a reallocation from interest paid to interest received.

(C) The reported share capital shows the share capital of New Trustpower and Tilt Renewables while reported retained earnings is set at zero. These adjustments to these two equity components are offset by the creation of a new component of equity, "invested capital" which will transfer to retained earnings upon demerger.

(D) Debt between Trustpower group companies is eliminated for reporting the Trustpower consolidated group. The demerged financial statements instead show the borrowings between New Trustpower entities and Tilt Renewables entities. This debt will be settled as part of the demerger implementation.

Income Statements for the six months ended 30 September 2016	New Trustpower \$000	Tilt Renewables \$000	Adjustments \$000	Trustpower \$000
<b>Operating Revenue</b>				
Electricity revenue (A)	441,042	94,798	(26,019)	509,821
Telecommunications revenue	31,045	-	-	31,045
Gas revenue	16,800	-	-	16,800
Other operating revenue	12,729	-	(110)	12,619
	<b>501,616</b>	<b>94,798</b>	<b>(26,129)</b>	<b>570,285</b>
<b>Operating Expenses</b>				
Line costs	159,842	-	-	159,842
Electricity costs (A)	94,465	-	(26,019)	68,446
Generation production costs	20,585	20,790	-	41,375
Employee benefits	32,882	987	-	33,869
Telecommunications cost of sales	23,740	-	-	23,740
Gas cost of sales	12,739	-	-	12,739
Other operating expenses	47,412	6,892	(110)	54,194
	<b>391,665</b>	<b>28,669</b>	<b>(26,129)</b>	<b>394,205</b>
<b>Earnings Before Interest, Tax, Depreciation, Amortisation, Fair Value</b>	<b>109,951</b>	<b>66,129</b>	<b>-</b>	<b>176,080</b>
Impairment of assets	-	-	-	-
Discount on acquisition	-	-	-	-
Net fair value (gains)/losses on financial instruments	3,235	2,242	-	5,477
Amortisation of intangible assets	7,473	5	-	7,478
Depreciation	15,140	36,826	-	51,966
<b>Operating Profit</b>	<b>84,103</b>	<b>27,056</b>	<b>-</b>	<b>111,159</b>
Interest paid (B)	21,062	17,268	(2,905)	35,425
Interest received (B)	(3,044)	(110)	2,905	(249)
Net finance costs	<b>18,018</b>	<b>17,158</b>	<b>-</b>	<b>35,176</b>
<b>Profit Before Income Tax</b>	<b>66,085</b>	<b>9,898</b>	<b>-</b>	<b>75,983</b>
Income tax expense/(credit)	21,103	(2,160)	-	18,943
<b>Profit After Tax</b>	<b>44,982</b>	<b>12,058</b>	<b>-</b>	<b>57,040</b>
Profit after tax attributable to the shareholders of the Company	44,736	12,058	-	56,794
Profit after tax attributable to non-controlling interests	246	-	-	246

**Income Statements for the six months ended 30 September 2015**

	New Trustpower \$000	Tilt Renewables \$000	Adjustments \$000	Trustpower \$000
<b>Operating Revenue</b>				
Electricity revenue (A)	427,852	88,882	(26,938)	489,796
Telecommunications revenue	20,756	-	462	21,218
Gas revenue	17,777	-	-	17,777
Other operating revenue	8,380	-	(110)	8,270
	<u>474,765</u>	<u>88,882</u>	<u>(26,586)</u>	<u>537,061</u>
<b>Operating Expenses</b>				
Line costs	153,573	-	-	153,573
Electricity costs (A)	98,945	-	(26,476)	72,469
Generation production costs	18,510	16,572	-	35,082
Employee benefits	26,439	685	-	27,124
Telecommunications cost of sales	16,573	-	-	16,573
Gas cost of sales	11,244	-	-	11,244
Other operating expenses	29,103	6,667	(110)	35,660
	<u>354,387</u>	<u>23,924</u>	<u>(26,586)</u>	<u>351,725</u>
<b>Earnings Before Interest, Tax, Depreciation, Amortisation, Fair Value</b>	<u>120,378</u>	<u>64,958</u>	<u>-</u>	<u>185,336</u>
Impairment of assets	-	-	-	-
Discount on acquisition	-	-	-	-
Net fair value (gains)/losses on financial instruments	5,140	(2,121)	-	3,019
Amortisation of intangible assets	7,105	-	-	7,105
Depreciation	12,471	37,670	-	50,141
<b>Operating Profit</b>	<u>95,662</u>	<u>29,409</u>	<u>-</u>	<u>125,071</u>
Interest paid (B)	27,256	21,570	(4,811)	44,015
Interest received (B)	(4,652)	(186)	4,811	(27)
Net finance costs	<u>22,604</u>	<u>21,384</u>	<u>-</u>	<u>43,988</u>
<b>Profit Before Income Tax</b>	<u>73,058</u>	<u>8,025</u>	<u>-</u>	<u>81,083</u>
Income tax expense/(credit)	24,360	(3,856)	-	20,504
<b>Profit After Tax</b>	<u>48,698</u>	<u>11,881</u>	<u>-</u>	<u>60,579</u>
Profit after tax attributable to the shareholders of the Company	48,698	11,881	-	60,579
Profit after tax attributable to non-controlling interests	-	-	-	-

**Income Statements for the year ended 31 March 2016**

	New Trustpower \$000	Tilt Renewables \$000	Adjustments \$000	Trustpower \$000
<b>Operating Revenue</b>				
Electricity revenue (A)	803,398	176,454	(50,684)	929,168
Telecommunications revenue	45,681	-	1,851	47,532
Gas revenue	27,255	-	-	27,255
Other operating revenue	24,820	-	(222)	24,598
	<u>901,154</u>	<u>176,454</u>	<u>(49,055)</u>	<u>1,028,553</u>
<b>Operating Expenses</b>				
Line costs	289,750	-	-	289,750
Electricity costs (A)	192,596	-	(48,833)	143,763
Generation production costs	38,905	29,988	-	68,893
Employee benefits	54,761	1,437	-	56,198
Telecommunications cost of sales	38,188	-	-	38,188
Gas cost of sales	20,000	-	-	20,000
Other operating expenses	69,764	9,288	(222)	78,830
	<u>703,964</u>	<u>40,713</u>	<u>(49,055)</u>	<u>695,622</u>
<b>Earnings Before Interest, Tax, Depreciation, Amortisation, Fair Value</b>	<u>197,190</u>	<u>135,741</u>	<u>-</u>	<u>332,931</u>
Impairment of assets	3,476	134	-	3,610
Discount on acquisition	(2,114)	-	-	(2,114)
Net fair value (gains)/losses on financial instruments	10,480	(4,153)	-	6,327
Amortisation of intangible assets	14,900	1	-	14,901
Depreciation	27,646	74,491	-	102,137
<b>Operating Profit</b>	<u>142,802</u>	<u>65,268</u>	<u>-</u>	<u>208,070</u>
Interest paid (B)	47,897	38,617	(5,004)	81,510
Interest received (B)	(5,225)	(211)	5,004	(432)
Net finance costs	<u>42,672</u>	<u>38,406</u>	<u>-</u>	<u>81,078</u>
<b>Profit Before Income Tax</b>	<u>100,130</u>	<u>26,862</u>	<u>-</u>	<u>126,992</u>
Income tax expense/(credit)	38,395	(4,068)	-	34,327
<b>Profit After Tax</b>	<u>61,735</u>	<u>30,930</u>	<u>-</u>	<u>92,665</u>
Profit after tax attributable to the shareholders of the Company	61,039	30,930	-	91,969
Profit after tax attributable to non-controlling interests	696	-	-	696

Statements of Financial Position as at 30 September 2016

	New Trustpower \$000	Tilt Renewables \$000	Adjustments \$000	Trustpower \$000
<b>Equity</b>				
<i>Capital and reserves attributable to shareholders of the Company</i>				
Share capital (C)	312	-	158,584	158,896
Invested capital (C)	327,223	158,983	(486,206)	-
Revaluation reserve	1,046,194	293,180	-	1,339,374
Retained earnings (C)	-	-	327,622	327,622
Cash flow hedge reserve	(1,959)	-	-	(1,959)
Foreign currency translation reserve	1,034	(12,809)	-	(11,775)
Non-controlling interests	43,640	-	-	43,640
<b>Total Equity</b>	<b>1,416,444</b>	<b>439,354</b>	<b>-</b>	<b>1,855,798</b>
<i>Represented by:</i>				
<b>Current Assets</b>				
Cash at bank	14,316	26,164	-	40,480
Accounts receivable from other group companies (D)	79,300	15,178	(94,478)	-
Other deposits	545	-	-	545
Accounts receivable and prepayments	129,564	21,755	-	151,319
Derivative financial instruments	2,845	-	-	2,845
Land and buildings held for sale	-	-	-	-
Taxation receivable	685	-	-	685
	<b>227,255</b>	<b>63,097</b>	<b>(94,478)</b>	<b>195,874</b>
<b>Non Current Assets</b>				
Accounts receivable and prepayments	4,102	-	-	4,102
Property, plant and equipment	2,287,653	1,207,455	-	3,495,108
Derivative financial instruments	4,617	-	-	4,617
Other investments	8	-	-	8
Intangible assets	61,922	35	-	61,957
	<b>2,358,302</b>	<b>1,207,490</b>	<b>-</b>	<b>3,565,792</b>
<b>Total Assets</b>	<b>2,585,557</b>	<b>1,270,587</b>	<b>(94,478)</b>	<b>3,761,666</b>
<b>Current Liabilities</b>				
Accounts payable and accruals	94,650	11,795	-	106,445
Accounts payable to other group companies (D)	15,178	79,300	(94,478)	-
Unsecured subordinated bonds	-	-	-	-
Unsecured senior bonds	65,000	-	-	65,000
Unsecured bank loans	174,000	69,931	-	243,931
Derivative financial instruments	5,886	2,392	-	8,278
Taxation payable	77	5,737	-	5,814
	<b>354,791</b>	<b>169,155</b>	<b>(94,478)</b>	<b>429,468</b>
<b>Non Current Liabilities</b>				
Unsecured bank loans	195,644	489,015	-	684,659
Unsecured subordinated bonds	139,205	-	-	139,205
Bond subscriptions received not yet allotted	-	-	-	-
Unsecured senior bonds	178,985	-	-	178,985
Derivative financial instruments	23,509	12,710	-	36,219
Accounts payable and accruals	-	2,816	-	2,816
Deferred tax liability	276,979	157,537	-	434,516
	<b>814,322</b>	<b>662,078</b>	<b>-</b>	<b>1,476,400</b>
<b>Total Liabilities</b>	<b>1,169,113</b>	<b>831,233</b>	<b>(94,478)</b>	<b>1,905,868</b>
<b>Net Assets</b>	<b>1,416,444</b>	<b>439,354</b>	<b>-</b>	<b>1,855,798</b>
Net tangible assets per share (dollars per share)	4.19	1.40	-	5.59

Statements of Financial Position as at 30 September 2015

	New Trustpower \$000	Tilt Renewables \$000	Adjustments \$000	Trustpower \$000
<b>Equity</b>				
<i>Capital and reserves attributable to shareholders of the Company</i>				
Share capital (C)	157	-	158,584	158,741
Invested capital (C)	377,041	152,090	(529,131)	-
Revaluation reserve	1,010,302	310,502	-	1,320,804
Retained earnings (C)	-	-	370,547	370,547
Cash flow hedge reserve	(1,752)	-	-	(1,752)
Foreign currency translation reserve	501	41	-	542
Non-controlling interests	-	-	-	-
<b>Total Equity</b>	<b>1,386,249</b>	<b>462,633</b>	<b>-</b>	<b>1,848,882</b>
<i>Represented by:</i>				
<b>Current Assets</b>				
Cash at bank	4,904	3,669	-	8,573
Accounts receivable from other group companies (D)	62,328	9,389	(71,717)	-
Other deposits	-	-	-	-
Accounts receivable and prepayments	124,884	35,643	-	160,527
Derivative financial instruments	2,362	-	-	2,362
Land and buildings held for sale	7,189	-	-	7,189
Taxation receivable	-	166	-	166
	<b>201,667</b>	<b>48,867</b>	<b>(71,717)</b>	<b>178,817</b>
<b>Non Current Assets</b>				
Accounts receivable and prepayments	2,414	-	-	2,414
Property, plant and equipment	2,077,926	1,309,617	-	3,387,543
Derivative financial instruments	5,370	248	-	5,618
Other investments	1,892	-	-	1,892
Intangible assets	68,491	-	-	68,491
	<b>2,156,093</b>	<b>1,309,865</b>	<b>-</b>	<b>3,465,958</b>
<b>Total Assets</b>	<b>2,357,760</b>	<b>1,358,732</b>	<b>(71,717)</b>	<b>3,644,775</b>
<b>Current Liabilities</b>				
Accounts payable and accruals	83,376	12,869	-	96,245
Accounts payable to other group companies (D)	9,389	62,328	(71,717)	-
Unsecured subordinated bonds	100,000	-	-	100,000
Unsecured senior bonds	-	-	-	-
Unsecured bank loans	-	28,649	-	28,649
Derivative financial instruments	2,476	500	-	2,976
Taxation payable	6,944	-	-	6,944
	<b>202,185</b>	<b>104,346</b>	<b>(71,717)</b>	<b>234,814</b>
<b>Non Current Liabilities</b>				
Unsecured bank loans	126,332	610,259	-	736,591
Unsecured subordinated bonds	138,902	-	-	138,902
Bond subscriptions received not yet allotted	-	-	-	-
Unsecured senior bonds	243,422	-	-	243,422
Derivative financial instruments	17,775	15,163	-	32,938
Accounts payable and accruals	-	3,440	-	3,440
Deferred tax liability	242,895	162,891	-	405,786
	<b>769,326</b>	<b>791,753</b>	<b>-</b>	<b>1,561,079</b>
<b>Total Liabilities</b>	<b>971,511</b>	<b>896,099</b>	<b>(71,717)</b>	<b>1,795,893</b>
<b>Net Assets</b>	<b>1,386,249</b>	<b>462,633</b>	<b>-</b>	<b>1,848,882</b>
Net tangible assets per share (dollars per share)	4.21	1.48	-	5.69

Statements of Financial Position as at 31 March 2016

	New Trustpower \$000	Tilt Renewables \$000	Adjustments \$000	Trustpower \$000
<b>Equity</b>				
<i>Capital and reserves attributable to shareholders of the Company</i>				
Share capital (C)	312	-	158,584	158,896
Invested capital (C)	336,200	159,032	(495,232)	-
Revaluation reserve	1,048,522	308,511	-	1,357,033
Retained earnings (C)	-	-	336,648	336,648
Cash flow hedge reserve	(1,494)	-	-	(1,494)
Foreign currency translation reserve	1,441	869	-	2,310
Non-controlling interests	45,379	-	-	45,379
<b>Total Equity</b>	<b>1,430,360</b>	<b>468,412</b>	<b>-</b>	<b>1,898,772</b>
<i>Represented by:</i>				
<b>Current Assets</b>				
Cash at bank	7,642	5,702	-	13,344
Accounts receivable from other group companies (D)	84,962	17,408	(102,370)	-
Other deposits	3,647	-	-	3,647
Accounts receivable and prepayments	114,217	29,277	-	143,494
Derivative financial instruments	3,492	23	-	3,515
Land and buildings held for sale	7,189	-	-	7,189
Taxation receivable	-	-	-	-
	221,149	52,410	(102,370)	171,189
<b>Non Current Assets</b>				
Accounts receivable and prepayments	3,365	-	-	3,365
Property, plant and equipment	2,298,097	1,287,997	-	3,586,094
Derivative financial instruments	4,272	34	-	4,306
Other investments	8	-	-	8
Intangible assets	65,540	26	-	65,566
	2,371,282	1,288,057	-	3,659,339
<b>Total Assets</b>	<b>2,592,431</b>	<b>1,340,467</b>	<b>(102,370)</b>	<b>3,830,528</b>
<b>Current Liabilities</b>				
Accounts payable and accruals	95,284	11,103	-	106,387
Accounts payable to other group companies (D)	17,408	84,962	(102,370)	-
Unsecured subordinated bonds	-	-	-	-
Unsecured senior bonds	65,000	-	-	65,000
Unsecured bank loans	180,200	28,865	-	209,065
Derivative financial instruments	4,925	1,218	-	6,143
Taxation payable	2,089	1,063	-	3,152
	364,906	127,211	(102,370)	389,747
<b>Non Current Liabilities</b>				
Unsecured bank loans	175,356	569,270	-	744,626
Unsecured subordinated bonds	139,069	-	-	139,069
Bond subscriptions received not yet allotted	-	-	-	-
Unsecured senior bonds	178,704	-	-	178,704
Derivative financial instruments	21,030	12,392	-	33,422
Accounts payable and accruals	-	3,232	-	3,232
Deferred tax liability	283,006	159,950	-	442,956
	797,165	744,844	-	1,542,009
<b>Total Liabilities</b>	<b>1,162,071</b>	<b>872,055</b>	<b>(102,370)</b>	<b>1,931,756</b>
<b>Net Assets</b>	<b>1,430,360</b>	<b>468,412</b>	<b>-</b>	<b>1,898,772</b>
Net tangible assets per share (dollars per share)	4.22	1.50	-	5.72

### Note 3: Segment Information

For internal reporting purposes, Trustpower is organised into three segments. The main activities of each segment are:

Retail	The retail sale of electricity, gas and telecommunication services to customers in New Zealand.
New Zealand Generation	The generation of renewable electricity by wind and hydro power schemes across New Zealand.
Australian Generation	The generation of renewable electricity in Australia by the Snowtown Wind Farm and the Green State Power hydro and wind schemes.

The New Zealand Generation segment also includes the lease of legacy meters to the Retail segment and to other retailers, and the supply of water to Canterbury irrigators. There is also an Other segment that exists to include any unallocated revenues and expenses. This relates mostly to unallocated corporate functions.

The unaudited segment results for the six months ended 30 September 2016 are as follows:

	Retail \$000	Generation New Zealand \$000	Generation Australia \$000	Other \$000	Total \$000
Total segment revenue	465,477	149,070	77,665	2,439	694,651
Inter-segment revenue	-	(122,180)	-	(2,186)	(124,366)
<b>Revenue from external customers</b>	<b>465,477</b>	<b>26,890</b>	<b>77,665</b>	<b>253</b>	<b>570,285</b>
<b>EBITDAF</b>	<b>14,185</b>	<b>119,231</b>	<b>56,966</b>	<b>(14,302)</b>	<b>176,080</b>
Amortisation of intangible assets	2,163	-	-	5,315	7,478
Depreciation	-	22,038	28,119	1,809	51,966
Capital expenditure	-	15,675	3,734	6,783	26,192

The restated segment results for the six months ended 30 September 2015 are as follows:

	Retail \$000	Generation New Zealand \$000	Generation Australia \$000	Other \$000	Total \$000
Total segment revenue	449,343	138,984	64,843	1,385	654,555
Inter-segment revenue	-	(116,415)	-	(1,079)	(117,494)
<b>Revenue from external customers</b>	<b>449,343</b>	<b>22,569</b>	<b>64,843</b>	<b>306</b>	<b>537,061</b>
<b>EBITDAF</b>	<b>22,522</b>	<b>119,950</b>	<b>47,238</b>	<b>(4,374)</b>	<b>185,336</b>
Amortisation of intangible assets	2,152	-	-	4,953	7,105
Depreciation	-	20,687	27,957	1,497	50,141
Capital expenditure including business acquisitions	-	3,289	948	11,133	15,370

The restated segment results for the year ended 31 March 2016 are as follows:

	Retail \$000	Generation New Zealand \$000	Generation Australia \$000	Other \$000	Total \$000
Total segment revenue	834,092	242,477	140,454	2,250	1,219,273
Inter-segment revenue	-	(189,228)	-	(1,492)	(190,720)
<b>Revenue from external customers</b>	<b>834,092</b>	<b>53,249</b>	<b>140,454</b>	<b>758</b>	<b>1,028,553</b>
<b>EBITDAF</b>	<b>45,756</b>	<b>193,846</b>	<b>105,239</b>	<b>(11,910)</b>	<b>332,931</b>
Amortisation of intangible assets	4,383	-	-	10,518	14,901
Depreciation	-	43,077	55,174	3,886	102,137
Capital expenditure including business acquisitions	6,076	182,045	3,412	27,751	219,284
Asset impairment	-	3,610	-	-	3,610

Transactions between segments (Inter-segment) are entered into under normal commercial terms and conditions that would also be available to unrelated third parties. The most significant inter-segment transaction is the sale of electricity hedges by New Zealand Generation to New Zealand Retail. See the retail note 4 for more information.

## Retail

Trustpower is a multiproduct utility retailer. Trustpower supplies homes and businesses around the country with electricity, gas, broadband and telephone services. Trustpower provides electricity to 278,000 homes and businesses (September 2015: 252,000, March 2016: 277,000), supplies 31,000 customers with gas (September 2015: 28,000, March 2016: 31,000) and connects 69,000 (September 2015: 51,000, March 2016: 62,000) customers with telephone and broadband services.

### Note 4: Retail Profitability Analysis

	Unaudited 6 Months September 2016 \$000	Restated 6 Months September 2015 \$000	Restated 12 Months March 2016 \$000
<b>Operating Revenue</b>			
Electricity revenue			
Mass market - fixed price	275,275	261,839	475,879
Commercial & industrial - fixed price	65,925	68,233	125,516
Commercial & industrial - spot price	73,055	77,940	153,275
Total electricity revenue	414,255	408,012	754,670
Gas	16,800	17,777	27,255
Telco	31,045	21,218	47,532
Other operating revenue	3,377	2,336	4,635
	<b>465,477</b>	<b>449,343</b>	<b>834,092</b>
<b>Operating Expenses</b>			
Energy costs	191,245	193,767	333,164
Line costs	159,842	153,573	289,749
Telecommunications cost of sales	23,740	16,573	38,188
Employee benefits	17,382	14,531	30,408
Meter rental costs	11,791	10,120	20,798
Gas cost of sales	12,739	11,244	20,000
Market fees and costs	3,727	3,365	6,542
Marketing and acquisition costs	9,441	7,333	16,645
Other customer connection costs	1,274	1,394	2,449
Bad debts	849	877	1,794
Other operating expenses*	19,262	14,044	28,599
	<b>451,292</b>	<b>426,821</b>	<b>788,336</b>
<b>EBITDAF</b>	<b>14,185</b>	<b>22,522</b>	<b>45,756</b>
The analysis above includes the following internal charges:			
Energy costs	122,799	121,298	189,401
Meter rental costs	5,270	5,414	10,639
Other operating expenses	1,285	1,285	2,570
	<b>129,354</b>	<b>127,997</b>	<b>202,610</b>

\* Other operating expenses includes an allocation of computing and corporate costs.

## Generation

Trustpower owns 634MW of hydro and wind generation assets throughout New Zealand as well as 477MW of hydro and wind generation in South Australia and New South Wales. The Generation segment also includes metering and irrigation assets as well as Trustpower's energy trading function. During the prior year ended March 2016 Trustpower acquired a 65% controlling interest in King Country Energy, which owns an additional 54MW of hydro generation assets in New Zealand.

### Note 5: Generation Profitability Analysis

#### New Zealand

	Unaudited 6 Months September 2016 \$000	Restated 6 Months September 2015 \$000	Restated 12 Months March 2016 \$000
<b>Operating Revenue</b>			
Electricity revenue	133,526	126,657	210,063
Meter rental revenue	8,534	9,351	18,085
Net other operating revenue	7,010	2,976	14,329
	<b>149,070</b>	<b>138,984</b>	<b>242,477</b>
<b>Operating Expenses</b>			
Generation production costs	26,791	22,125	43,256
Employee benefits	7,789	6,112	12,945
Generation development expenditure	660	485	1,470
Other operating expenses including electricity hedge settlements	(5,401)	(9,688)	(9,040)
	<b>29,839</b>	<b>19,034</b>	<b>48,631</b>
<b>EBITDAF</b>	<b>119,231</b>	<b>119,950</b>	<b>193,846</b>
The analysis above includes the following internal charges:			
Electricity revenue	115,625	109,716	176,019
Electricity hedge settlements	7,174	11,582	13,382
Meter rental revenue	5,270	5,414	10,639
Other operating revenue	1,285	1,285	2,570
	<b>129,354</b>	<b>127,997</b>	<b>202,610</b>

#### Australia

	Unaudited 6 Months September 2016 \$000	Restated 6 Months September 2015 \$000	Restated 12 Months March 2016 \$000
<b>Operating Revenue</b>			
Electricity revenue	77,665	64,843	140,454
<b>Operating Expenses</b>			
Generation production costs	14,584	12,957	25,637
Employee benefits	1,429	1,078	2,234
Generation development expenditure	3,064	2,528	5,503
Other operating expenses	1,622	1,042	1,841
	<b>20,699</b>	<b>17,605</b>	<b>35,215</b>
<b>EBITDAF</b>	<b>56,966</b>	<b>47,238</b>	<b>105,239</b>

There are no internal transactions in the Australian Generation business.

## Debt

Trustpower borrows under a negative pledge arrangement, which with limited exceptions does not permit Trustpower to grant any security interest over its assets. The negative pledge deed requires Trustpower to maintain certain levels of shareholders' funds and operate within defined performance and debt gearing ratios. The banking arrangements may also create restrictions over the sale or disposal of certain assets unless the bank loans are repaid or renegotiated. Throughout the period Trustpower has complied with all debt covenant requirements in these agreements.

### Note 6: Borrowings

	Unaudited 30 September 2016				
	Unsecured bank loans				
	New Zealand dollar facilities	Australian dollar facilities	Total bank facilities	Senior Bonds	Subordinated Bonds
	\$000	\$000	\$000	\$000	\$000
<i>Repayment terms:</i>					
Less than one year	197,000	186,691	383,691	65,000	-
One to two years	19,152	159,267	178,419	75,000	-
Two to five years	119,269	47,253	166,522	-	140,000
Over five years	33,333	168,179	201,512	105,000	-
Facility establishment costs / Bond issue costs	(1,554)	-	(1,554)	(1,015)	(795)
	<b>367,200</b>	<b>561,390</b>	<b>928,590</b>	<b>243,985</b>	<b>139,205</b>
Current portion	174,000	69,931	243,931	65,000	-
Non-current portion	193,200	491,459	684,659	178,985	139,205
	<b>367,200</b>	<b>561,390</b>	<b>928,590</b>	<b>243,985</b>	<b>139,205</b>
	Restated 30 September 2015				
	Unsecured bank loans				
	New Zealand dollar facilities	Australian dollar facilities	Total bank facilities	Senior Bonds	Subordinated Bonds
	\$000	\$000	\$000	\$000	\$000
<i>Repayment terms:</i>					
Less than one year	-	82,641	82,641	-	100,000
One to two years	-	137,735	137,735	65,000	-
Two to five years	49,200	228,640	277,840	75,000	140,000
Over five years	84,199	184,840	269,039	105,000	-
Facility establishment costs / Bond issue costs	(2,015)	-	(2,015)	(1,578)	(1,098)
	<b>131,384</b>	<b>633,856</b>	<b>765,240</b>	<b>243,422</b>	<b>238,902</b>
Current portion	-	28,649	28,649	-	100,000
Non-current portion	131,384	605,207	736,591	243,422	138,902
	<b>131,384</b>	<b>633,856</b>	<b>765,240</b>	<b>243,422</b>	<b>238,902</b>
	Restated 31 March 2016				
	Unsecured bank loans				
	New Zealand dollar facilities	Australian dollar facilities	Total bank facilities	Senior Bonds	Subordinated Bonds
	\$000	\$000	\$000	\$000	\$000
<i>Repayment terms:</i>					
Less than one year	185,200	74,383	259,583	65,000	-
One to two years	20,000	144,327	164,327	75,000	-
Two to five years	72,642	198,725	271,367	-	140,000
Over five years	78,571	181,627	260,198	105,000	-
Facility establishment costs / Bond issue costs	(1,784)	-	(1,784)	(1,296)	(931)
	<b>354,629</b>	<b>599,062</b>	<b>953,691</b>	<b>243,704</b>	<b>139,069</b>
Current portion	180,200	28,865	209,065	65,000	-
Non-current portion	174,429	570,197	744,626	178,704	139,069
	<b>354,629</b>	<b>599,062</b>	<b>953,691</b>	<b>243,704</b>	<b>139,069</b>

Senior bonds rank equally with bank loans, while subordinated bonds are fully subordinated behind all other creditors.



## Equity

### Note 7. Dividends

	<b>Unaudited 6 Months September 2016 \$000</b>	Restated 6 Months September 2015 \$000	Restated 12 Months March 2016 \$000
Final dividend prior year	65,820	65,712	65,712
Interim dividend current year	-	-	65,716
<b>Total dividend</b>	<b>65,820</b>	<b>65,712</b>	<b>131,428</b>
	<b>Cents per share</b>	Cents per share	Cents per share
Final dividend prior year	21.0	21.0	21.0
Interim dividend current year	-	-	21.0
<b>Total dividend</b>	<b>21.0</b>	<b>21.0</b>	<b>42.0</b>

### Note 8. Share Capital

	<b>Unaudited 6 Months September 2016 \$000</b>	Restated 6 Months September 2015 \$000	Restated 12 Months March 2016 \$000
Authorised and issued ordinary share capital at beginning of the period	158,896	158,586	158,586
Purchase of treasury shares by Directors	-	155	310
	<b>158,896</b>	<b>158,741</b>	<b>158,896</b>
	<b>000's of Shares</b>	000's of Shares	000's of Shares
Authorised and issued ordinary shares at beginning of the period	312,953	312,913	312,913
Purchase of treasury shares by Directors	-	20	40
	<b>312,953</b>	<b>312,933</b>	<b>312,953</b>

## Additional Notes

### Note 9. Income Tax Expense

	Unaudited 6 Months September 2016 \$000	Restated 6 Months September 2015 \$000	Restated 12 Months March 2016 \$000
Profit before income tax	75,983	81,083	126,992
Tax on profit @ 28%	21,275	22,703	35,558
Foreign tax rate adjustment	194	8	340
Tax effect of permanent differences	(2,453)	(5,182)	(9,977)
Income tax (over)/under provided in prior period	(73)	252	5,644
Inland Revenue dispute tax expense adjustment*	-	2,723	2,762
	<b>18,943</b>	<b>20,504</b>	<b>34,327</b>
<i>Represented by:</i>			
Current tax	28,556	25,754	49,908
Deferred tax	(9,613)	(5,250)	(15,581)
	<b>18,943</b>	<b>20,504</b>	<b>34,327</b>

\*In Trustpower's March 2016 financial statements the result of the dispute with Inland Revenue was fully recognised following the Court of Appeal decision in Inland Revenue's favour. Since the March 2016 financial statements were published the Supreme Court has confirmed the Court of Appeal ruling. As this was fully provided for at March 2016 no further adjustment has been required in the September 2016 period.

At March 2016 a contingent liability was disclosed as being up to \$4,000,000 due to the uncertainty of Inland Revenue's position following the Court of Appeal ruling. Inland Revenue has since stated it will not apply the new approach from that ruling retrospectively therefore there is no longer a contingent liability to recognise.

### Note 10. Deferred Income Tax

	Unaudited 6 Months September 2016 \$000	Restated 6 Months September 2015 \$000	Restated 12 Months March 2016 \$000
Balance at beginning of period	442,956	423,926	423,926
Current period changes in temporary differences affecting tax expense	(9,541)	(5,216)	(15,520)
Current period changes in temporary differences affecting reserves	8,556	(16,556)	(4,376)
Reclassification of prior year temporary differences	(72)	(34)	(62)
Acquired as part of business combination	-	-	28,278
Exchange rate movements on foreign denominated deferred tax	(7,383)	9,830	10,710
Inland Revenue dispute deferred tax adjustment	9	(6,164)	-
	<b>434,516</b>	<b>405,786</b>	<b>442,956</b>
<i>Deferred tax liabilities consist of temporary differences on:</i>			
Revaluations	346,913	336,015	357,906
Other property, plant and equipment movements	80,450	68,997	83,745
Employee benefits	(1,968)	(2,087)	(2,190)
Provisions	(836)	(707)	(574)
Customer base assets	5,724	6,166	6,327
Financial instruments	(9,526)	(7,772)	(8,006)
Unrealised losses on Australian dollar loan	9,477	1,550	740
Other	4,282	3,624	5,008
	<b>434,516</b>	<b>405,786</b>	<b>442,956</b>

### Note 11. Underlying Earnings

Underlying Earnings is a non GAAP (Generally Accepted Accounting Principles) financial measure. Trustpower believes that this measure is an important additional financial measure to disclose as it excludes movements in the fair value of financial instruments which can be volatile year to year depending on movement in long term interest rate and/or electricity future prices. Also excluded in this measure are items considered to be one off and not related to core business such as changes to the company tax rate or gain/impairment of generation assets.

	Unaudited 6 Months September 2016 \$000	Restated 6 Months September 2015 \$000	Restated 12 Months March 2016 \$000
Profit After Tax Attributable to the Shareholders of the Company	56,794	60,579	91,969
Fair value losses / (gains) on financial instruments	5,477	3,019	6,327
Asset impairments	-	-	3,610
Discount on acquisition	-	-	(2,114)
Demerger related expenditure	8,673	-	1,659
Impact of Inland Revenue court case on interest expense	-	5,019	5,304
<i>Adjustments before income tax</i>	<b>14,150</b>	<b>8,038</b>	<b>14,786</b>
Change in income tax expense in relation to adjustments	(1,534)	(845)	(2,782)
Impact of Inland Revenue court case on income tax expense	-	1,318	1,277
Adjustments after income tax	<b>12,616</b>	<b>8,511</b>	<b>13,281</b>
<b>Underlying Earnings After Tax</b>	<b>69,410</b>	<b>69,090</b>	<b>105,250</b>

**Note 12. Earnings Per Share**

Basic earnings per share is calculated by dividing the profit attributable to the shareholders of Trustpower Limited by the weighted average number of ordinary shares on issue during the year.

	<b>Unaudited 6 Months September 2016 \$000</b>	Restated 6 Months September 2015 \$000	Restated 12 Months March 2016 \$000
Profit after tax attributable to the shareholders of the Company (\$000)	56,794	60,579	91,969
Weighted average number of ordinary shares in issue (thousands)	312,953	312,959	312,969
<b>Basic and diluted earnings per share (cents per share)</b>	<b>18.1</b>	19.4	29.4
Underlying earnings after tax (\$000)	69,410	69,090	105,250
Weighted average number of ordinary shares in issue (thousands)	312,953	312,959	312,969
<b>Underlying earnings per share (cents per share)</b>	<b>22.2</b>	22.1	33.6

**Note 13. Reconciliation of Net Cash Flow from Operating Activities with Profit After Tax Attributable to the Shareholders**

	<b>Unaudited 6 Months September 2016 \$000</b>	Restated 6 Months September 2015 \$000	Restated 12 Months March 2016 \$000
Profit after Tax	57,040	60,579	92,665
Interest paid	34,720	38,268	75,625
Interest received	(254)	(27)	(432)
Amortisation of debt issue costs	665	759	1,422
Non-cash transfer from cash flow hedge reserve to interest expense	(138)	(138)	(275)
Fair value increase of King Country Energy assets	-	-	(2,114)
Fixed, intangible and investment asset charges	58,563	57,637	121,011
Movements in financial instruments taken to the income statement	5,477	3,019	6,327
Decrease in deferred tax liability excluding transfers to reserves	(9,589)	(11,321)	(15,498)
(Increase)/decrease in working capital	(7,615)	(22,478)	2,398
<b>Net Cash Flow from Operating Activities</b>	<b>138,869</b>	126,298	281,129

**Note 14. Contingent Assets and Liabilities**

Other than disclosed in note 9, there were no contingent assets or liabilities as at 30 September 2016 (30 September 2015: nil, 31 March 2016: nil).

**Note 15. Subsequent Events**

Other than those disclosed in note 2 there have been no material events subsequent to 30 September 2016 (30 September 2015: none, 31 March 2016: none).

**Note 16. Financial Risk Management**

**Fair Values**

Except for subordinated bonds and senior bonds, the carrying amount of financial assets and financial liabilities recorded in the financial statements approximates their fair values.

**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 discounted cash flow analysis based on market-quoted rates.
- 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 (as described below); and
- discount rates.

*Valuation Input*

Interest rate forward price curve  
Foreign exchange forward prices

Electricity forward price curve

Discount rate for valuing interest rate derivatives

Discount rate for valuing forward foreign exchange contracts

Discount rate for valuing electricity price derivatives

*Source*

Published market swap rates

Published spot foreign exchange rates and interest rate differentials

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.

Published market interest rates as applicable to the remaining life of the instrument.

Published market interest rates as applicable to the remaining life of the instrument.

Assumed counterparty cost of funds ranging from 3.2% to 3.5%

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. See earlier in this note for sensitivity analysis.

NZ IFRS 7 requires that financial instruments are measured in the statement of financial position at fair value, this requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- 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.

	Level 1 \$000	Level 2 \$000	Level 3 \$000	Total \$000
<b>30 September 2016</b>				
<b>Assets per the statement of financial position</b>				
Interest rate derivative assets	-	431	-	431
Electricity price derivative assets	-	-	7,031	7,031
Exchange rate derivative assets	-	-	-	-
	-	431	7,031	7,462
<b>Liabilities per the statement of financial position</b>				
Interest rate derivative liabilities	-	30,537	-	30,537
Electricity price derivative liabilities	-	-	13,960	13,960
Exchange rate derivative liabilities	-	-	-	-
	-	30,537	13,960	44,497
<b>30 September 2015</b>				
<b>Assets per the statement of financial position</b>				
Interest rate derivative assets	-	2,194	-	2,194
Electricity price derivative assets	-	-	5,786	5,786
Exchange rate derivative assets	-	-	-	-
	-	2,194	5,786	7,980
<b>Liabilities per the statement of financial position</b>				
Interest rate derivative liabilities	-	26,027	-	26,027
Electricity price derivative liabilities	-	-	9,887	9,887
Exchange rate derivative liabilities	-	-	-	-
	-	26,027	9,887	35,914
<b>31 March 2016</b>				
<b>Assets per the statement of financial position</b>				
Interest rate derivative assets	-	1,355	-	1,355
Electricity price derivative assets	-	-	6,466	6,466
Exchange rate derivative assets	-	-	-	-
	-	1,355	6,466	7,821
<b>Liabilities per the statement of financial position</b>				
Interest rate derivative liabilities	-	27,572	-	27,572
Electricity price derivative liabilities	-	-	11,993	11,993
Exchange rate derivative liabilities	-	-	-	-
	-	27,572	11,993	39,565

The following tables present the changes during the period of the level 3 instruments being electricity price derivatives.

	<b>Unaudited 6 Months September 2016 \$000</b>	Restated 6 Months September 2015 \$000	Restated 12 Months March 2016 \$000
<b>30 September 2016</b>			
<b>Assets per the statement of financial position</b>			
Opening balance	6,466	11,514	11,514
Acquired as part of a business combination	-	-	602
Gains and (losses) recognised in profit or loss	105	1,381	1,169
Gains and (losses) recognised in other comprehensive income	460	(7,109)	(6,819)
Closing balance	7,031	5,786	6,466
Total gains or (losses) for the period included in profit or loss for assets held at the end of the reporting period	1,077	(1,023)	581
<b>Liabilities per the statement of financial position</b>			
Opening balance	11,993	4,339	4,339
Acquired as part of a business combination	-	-	547
(Gains) and losses recognised in profit or loss	999	3,686	5,450
(Gains) and losses recognised in other comprehensive income	968	1,862	1,657
Closing balance	13,960	9,887	11,993
Total (gains) or losses for the period included in profit or loss for liabilities held at the end of the reporting period	469	9,903	16,008
Settlements during the period	(7,253)	(6,911)	(11,451)

Electricity price derivatives are classified as Level 3 because the assumed location factors which are used to adjust the forward price path are unobservable.

A sensitivity analysis showing the effect on the value of the electricity price derivatives of reasonably possible alternative price path assumptions is shown below:

	<b>Unaudited 6 Months September 2016 \$000</b>	Restated* 6 Months September 2015 \$000	Restated* 12 Months March 2016 \$000
Increase/(decrease) to profit of a 10% increase in electricity forward price	1,775	(482)	(527)
Increase/(decrease) to profit of a 10% decrease in electricity forward price	(1,775)	482	533
Increase/(decrease) to equity of a 10% increase in electricity forward price	7,324	5,788	4,602
Increase/(decrease) to equity of a 10% decrease in electricity forward price	(7,324)	(5,788)	(4,597)