September 2008

TrustPower Interim Report

TrustPower Limited

First Half Result for the Six Months Ending 30 September 2008

TrustPower's unaudited after tax profit for the six months to 30 September 2008 was $66.8 million, compared with $64.3 million for the same period last year, an increase of four per cent. Earnings before Interest, Tax, Depreciation, Amortisation, and Fair value movements of financial instruments ("EBITDAF") were $136.7 million versus $116.2 million for the prior period, an increase of 18 per cent.

This is a pleasing result taking into account the difficult trading conditions experienced by the Company during the first quarter.

TrustPower's New Zealand generation assets produced 1,161 GWh for the half versus 1,106 GWh in the prior period.

Hydro production was up nine per cent on the prior period supported by strong production in the second quarter due to good rainfall in all of TrustPower's key catchment areas. Wind production was seven per cent below prior period. Combined generation production during the second quarter improved significantly compared with the prior quarter which helped to reduce the level of spot electricity purchasing by the Company during high priced periods. The weighted average spot price of electricity purchased by the Company over the reporting period was $184 / MWh nearly three times the cost of the prior year which reflects the impact of the severe drought on the electricity market during autumn and winter this year.

Customer numbers have decreased to around 219,000 primarily as a result of the Company scaling back its customer acquisition activities during the winter period. Total electricity sold to customers in the first half was 2,254 GWh compared with 2,361 GWh sold in the prior period.

Included in carbon revenue is the revenue derived from TrustPower's generation schemes during the reporting period which have been allocated carbon credits as well as voluntary emission reduction units sold to third parties during the reporting period.

A further 210,000 tonnes of Kyoto emission rights have been sold to off-shore counterparties during the first half of the 2009 financial year. The Company has now forward sold close to sixty percent of its Kyoto emission rights over the five years from 2008 to 2012.These forward sales have been in Euro and the Company has transacted forward foreign currency exchange contracts to provide certainty of revenue in New Zealand dollars.

The Company's balance sheet remains sound. The ratio of debt to debt plus equity was 36 per cent as at 30 September 2008 up from 30 per cent at the same time the previous year, reflecting the debt funding of the Snowtown Wind Farm and the Deep Stream hydro enhancement. Total debt, including subordinated bonds, as at 30 September 2008 was $708 million. Unutilised group committed debt facilities as at this date were $240 million.

TrustPower has $50.5 million of subordinated bonds maturing in December 2008. The Company is making a separate announcement with respect to the refinancing of the bonds.

During the reporting period the construction of the 98.7MW Snowtown Wind Farm in South Australia was completed. Final commissioning tests are expected to be completed by the end of November. The wind farm is operating to expectation and generation production to 30 September 2008 was 79 GWh. Generation output for the 2009 financial year is expected to be around 270 GWh. TrustPower is pleased with the on time, on budget execution of the wind farm which is the Company's first offshore project.

Resource consent has been granted for the 72 MW Wairau hydro generation scheme by the Marlborough District Council. The decision is currently under appeal by five parties to the Environment Court.

A resource consent hearing for up to 46 MW of hydro generation at Arnold, on the West Coast has been completed and a decision is awaited from the Grey District Council.

The resource consent decision for the 200 MW Lake Mahinerangi wind project in Otago was appealed to the Environment Court. The Environment Court released a preliminary decision in July 2008 granting consent for up to 100 turbines (or a maximum installed capacity of 200 MW) subject to TrustPower demonstrating that the turbines could be situated appropriately within a reduced project area. A layout that meets the Court's requirements is being finalised and will be presented shortly.

A resource consent application for up to 240 MW of wind generation at Kaiwera Downs in Southland was granted by the Gore District Council in June 2008. The decision was appealed to the Environment Court by one party. A decision by the Environment Court is expected shortly.

TrustPower continues to actively assess other wind and hydro generation opportunities particularly in the North Island.

The Electricity Commission released its review of the Wholesale and Retail Electricity Markets. The review recommended several changes, particularly around providing electricity consumers with improved information to ensure they take full advantage of pricing offers from the competitive electricity retailers.

The Commission recently approved the upgrade investment of the HVDC inter island transmission link and signalled that it may look to review the current distorted HVDC pricing methodology.

Taking the trading results into account, the Directors have declared a partially imputed interim dividend of 16 cents per share (15 cents per share last year) and an unimputed special dividend of 10 cents per share. These dividends will be payable on 12 December 2008 to all Shareholders on the register at 28 November 2008.

The result for the first half year to 30 September 2008 was pleasing given the difficult market conditions experienced during the first quarter. At this stage the Directors are confident, despite current global financial market volatility, that the business fundamentals are sound, which augurs well for a satisfactory annual result.

BJ Harker
Chairman

Consolidated Income Statement

FOR THE PERIOD ENDED 30 SEPTEMBER 2008	NOTE	UNAUDITED 6 MONTHS SEP 2008 $000	UNAUDITED 6 MONTHS SEP 2007 $000	AUDITED 12 MONTHS MAR 2008 $000
Operating Revenue				
Electricity sales		**447,796**	342,478	656,961
Carbon revenue		**4,907**	-	2,011
Meter rental revenue		**2,211**	1,884	3,846
Other customer fees and charges		**1,691**	1,795	3,394
Telecommunications sales		**8,115**	5,675	12,670
Other revenue		**4,415**	590	2,574
Total Revenue		**469,135**	352,422	681,456
Operating Expenses				
Energy costs		**160,431**	85,288	179,643
Generation production costs		**15,042**	13,014	27,780
Line costs		**110,259**	102,021	187,947
Market fees and costs		**11,842**	7,276	18,183
Meter rental costs		**1,333**	1,282	2,606
Other customer connection costs		**1,114**	515	939
Other fixed, intangible and investment asset charges		**1,060**	-	(408)
Salary and wage costs		**12,534**	12,557	24,554
Telecommunications cost of sales		**6,244**	4,036	9,246
Other operating expenses		**12,556**	10,265	22,933
		332,415	236,254	473,423
Earnings Before Interest, Tax, Depreciation, Amortisation and Fair Value Movements of Financial Instruments (EBITDAF)		**136,720**	116,168	208,033
Fair value (gains)/losses on financial instruments		**2,134**	(1,441)	(985)
Amortisation of intangible assets		**2,860**	2,479	5,145
Depreciation		**17,915**	12,491	27,249
Operating Profit		**113,811**	102,639	176,624
Interest paid	8	**26,616**	19,994	41,274
Interest received	8	**(1,824)**	(490)	(1,462)
Net finance costs		**24,792**	19,504	39,812
Profit Before Income Tax		**89,019**	83,135	136,812
Income tax expense	11	**22,206**	18,870	38,679
Profit After Tax Attributable to the Shareholders of the Company		**66,813**	64,265	98,133
Earnings per share (cents per share)		**21.2**	20.4	31.1
Diluted earnings per share (cents per share)		**21.1**	20.3	31.1

The accompanying notes form part of these interim financial statements

Consolidated Statement of Recognised Income and Expense

FOR THE PERIOD ENDED 30 SEPTEMBER 2008	NOTE	UNAUDITED 6 MONTHS SEP 2008 $000	UNAUDITED 6 MONTHS SEP 2007 $000	AUDITED 12 MONTHS MAR 2008 $000
Net fair value gains/(losses):				
- Generation assets		**-**	-	-
- Cash flow hedges (including electricity price derivatives)		**(6,597)**	(8,220)	17,434
Effect of change in corporate tax rate on:				
- Revaluation reserve		**-**	14,169	14,169
- Cash flow hedge reserve		**-**	(206)	(206)
Currency translation differences		**2,940**	492	595
Movements in employee share option reserve		**-**	-	(21)
Net Income Recognised Directly in Equity		**(3,657)**	6,235	31,971
Profit for the period		**66,813**	64,265	98,133
Total Recognised Income for the Period Attributable to the Shareholders		**63,156**	70,500	130,104

The Board of TrustPower Limited authorised these Interim Financial Statements for issue on 3 November 2008.

The accompanying notes form part of these interim financial statements

Consolidated Balance Sheet

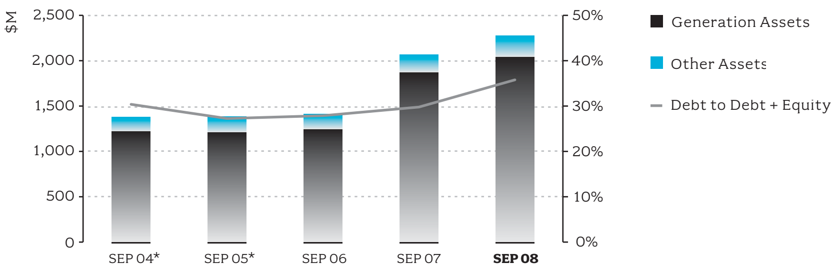
AS AT 30 SEPTEMBER 2008	NOTE	UNAUDITED SEP 2008 $000	UNAUDITED SEP 2007 $000	AUDITED MAR 2008 $000
Equity				
Capital and reserves attributable to shareholders of the Company				
Share capital	10	**176,174**	175,524	176,055
Revaluation reserve		**656,302**	658,575	658,575
Retained earnings		**431,074**	420,989	411,574
Cash flow hedge reserve		**3,672**	(15,564)	10,269
Other reserves		**3,793**	771	853
Total Equity		**1,271,015**	1,240,295	1,257,326
Represented by:				
Current Assets				
Cash and cash equivalents		**36,762**	8,551	115,198
Bond deposits on trust		**2,700**	3,100	2,700
Electricity market security deposits		**-**	-	-
Accounts receivable and prepayments		**101,582**	86,703	99,143
Derivative financial instruments	6	**4,892**	818	3,905
Taxation receivable		**301**	-	7,279
		146,237	99,172	228,225
Non Current Assets				
Term receivable		**2,504**	-	1,719
Property, plant and equipment		**2,092,491**	1,921,999	2,056,974
Derivative financial instruments	6	**10,225**	3,557	21,236
Investments		**830**	24	518
Intangible assets		**38,441**	41,439	40,266
Deferred tax asset	12	**667**	-	1,819
		2,145,158	1,967,019	2,122,532
Total Assets		**2,291,395**	2,066,191	2,350,757
Current Liabilities				
Accounts payable and accruals		**96,781**	84,729	222,061
Dividend payable		**-**	-	-
Current portion unsecured subordinated bonds		**50,511**	-	50,511
Derivative financial instruments	6	**4,668**	10,983	8,207
Taxation payable		**-**	6,877	-
		151,960	102,589	280,779

The accompanying notes form part of these interim financial statements

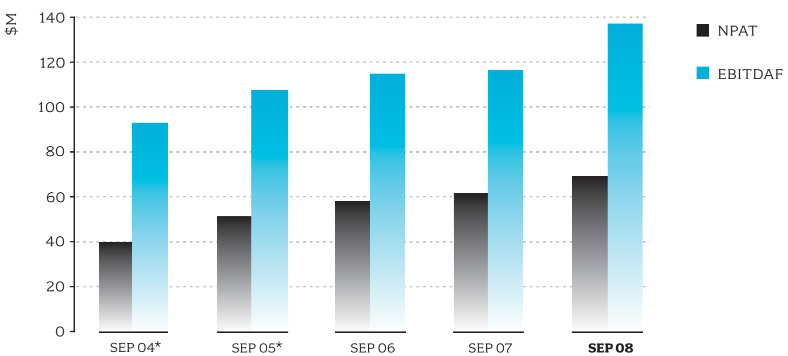
Consolidated Balance Sheet

AS AT 30 SEPTEMBER 2008	NOTE	UNAUDITED SEP 2008 $000	UNAUDITED SEP 2007 $000	AUDITED MAR 2008 $000
Non Current Liabilities				
Unsecured bank loans		**495,800**	312,151	443,888
Unsecured subordinated bonds		**161,778**	211,763	161,528
Derivative financial instruments	6	**5,286**	8,065	582
Deferred tax liability	12	**205,556**	191,328	206,654
		868,420	723,307	812,652
Total Liabilities		**1,020,380**	825,896	1,093,431
Net Assets		**1,271,015**	1,240,295	1,257,326
Net Tangible Assets Per Share		**$3.91**	$3.80	$3.86

Gearing



Financial Performance



* Information for years prior to the Group's transition date of 1 April 2006 to NZ IFRS have been prepared under existing NZ FRS and have not been translated to equivalent NZ IFRS amounts.

The accompanying notes form part of these interim financial statements

Consolidated Cash Flow Statement

FOR THE PERIOD ENDED 30 SEPTEMBER 2008	UNAUDITED 6 MONTHS SEP 2008 $000	UNAUDITED 6 MONTHS SEP 2007 $000	AUDITED 12 MONTHS MAR 2008 $000
Receipts from customers	**465,912**	328,998	643,869
Payments to suppliers and employees	**(352,136)**	(234,188)	(445,963)
Taxation paid	**(13,664)**	(14,778)	(36,859)
Net Cash Flow from Operating Activities	**100,112**	80,032	161,047
Sale of property, plant & equipment	**379**	2,157	2,967
Sale of investments	**-**	-	-
Interest received	**1,773**	490	1,462
Capitalised interest in construction of property, plant and equipment	**(4,663)**	(2,922)	(6,851)
Net movement in bond deposits on trust	**-**	-	400
Net movement in electricity market security deposits	**-**	3,000	3,000
Purchase of property, plant and equipment	**(149,560)**	(67,724)	(105,236)
Purchase of intangible assets	**(1,036)**	(1,676)	(2,860)
Net Cash Flow from Investing Activities	**(153,107)**	(66,675)	(107,118)
Bank loan proceeds	**302,608**	129,636	282,010
Bond repayments	**-**	(86,182)	(86,182)
Issue of shares	**119**	866	1,397
Bank loan repayments	**(256,153)**	(29,375)	(50,235)
Interest paid	**(31,220)**	(19,877)	(38,538)
Dividends paid	**(47,313)**	(44,130)	(91,439)
Net Cash Flow from Financing Activities	**(31,959)**	(49,062)	17,013
Net (Decrease) / Increase in Cash, Cash Equivalents and Bank Overdrafts Held	**(84,954)**	(35,705)	70,942
Cash, Cash Equivalents and Bank Overdrafts at Beginning of the Period	**115,198**	44,256	44,256
Exchange gains/(losses) on cash	**6,518**	-	-
Cash, Cash Equivalents and Bank Overdrafts at End of the Period	**36,762**	8,551	115,198

The accompanying notes form part of these interim financial statements

Consolidated Cash Flow Statement

FOR THE PERIOD ENDED 30 SEPTEMBER 2008	UNAUDITED 6 MONTHS SEP 2008 $000	UNAUDITED 6 MONTHS SEP 2007 $000	AUDITED 12 MONTHS MAR 2008 $000
Reconciliation Of Net Cash Flow From Operating Activities With Profit After Tax Attributable To The Shareholders			
Profit after tax attributable to the shareholders of the company	**66,813**	64,265	98,133
Interest paid	**31,220**	19,994	38,538
Interest received	**(1,773)**	(490)	(1,462)
Amortisation of debt issue costs	**540**	683	1,183
Fixed, intangible and investment asset charges	**21,835**	15,235	31,986
Movements in financial instruments taken to the income statement	**2,134**	(1,441)	(985)
Option expense	**-**	-	(21)
Increase/(decrease) in deferred tax liability excluding transfers to reserves	**1,564**	(1,549)	5,783
(Increase)/decrease in working capital	**(18,773)**	(16,665)	(12,108)
Exchange rate differences on working capital	**(3,448)**	-	-
Net Cash Flow From Operating Activities	**100,112**	80,032	161,047

Operating Statistics

	6 MONTHS SEP 2008	6 MONTHS SEP 2007	12 MONTHS MAR 2008
Electricity customer numbers (000's)	**219**	220	222
Telecommunication services provided (000's)	**29**	15	26
Mass market sales (GWh)	**1,114**	1,102	2,029
Time of use sales (GWh)	**1,139**	1,260	2,511
Total customer sales (GWh)	**2,253**	2,362	4,540
Weighted average spot price of electricity purchased ($/MWh)	**184**	63	73
North Island hydro generation production (GWh)	**436**	322	546
South Island hydro generation production (GWh)	**471**	511	926
Total hydro generation production (GWh)	**907**	833	1,472
Wind generation production (GWh)	**254**	273	546
Total New Zealand generation production (GWh)	**1,160**	1,106	2,018
Weighted average spot price of electricity generated ($/MWh)	**170**	62	68
Australian wind production GWh	**79**	-	-
Resource consent non-compliance events	**2**	6	8
Staff numbers (full time equivalents)	**379**	388	393

The accompanying notes form part of these interim financial statements

Notes to the Interim Financial Statements

Note 1: General Information

Reporting Entity
The principal activities of TrustPower Limited (the Company or Parent) and its subsidiaries (together the Group) are the development, ownership and operation of electricity generation facilities from renewable energy sources and the retail sale of electricity to its customers. All significant operations take place within New Zealand.

The Company is a limited liability company incorporated and domiciled in New Zealand. The address of its registered office is Truman Road, Te Maunga, Mount Maunganui. The Company is listed on the New Zealand Stock Exchange.

These interim financial statements relate to the six months ended 30 September 2008 and have been approved for issue by the Board of Directors on 3 November 2008.

Note 2: Accounting Policies

TrustPower Limited is registered under the Companies Act 1993 and is an issuer in terms of the Securities Act 1978. The financial statements have been prepared in accordance with the requirements of the Financial Reporting Act 1993 and the Companies Act 1993.

These unaudited interim financial statements have been prepared in accordance with New Zealand Equivalent to International Accounting Standard 34 *Interim Financial Reporting* as well as International Accounting Standard 34 *Interim Financial Reporting* and should be read in conjunction with the previous annual report. The accounting policies and methods of computation are consistent with those used in the most recent annual report which can be obtained from TrustPower's registered office or www.trustpower.co.nz.

Note 3: Seasonality

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 2007, the volume of customer sales represented 52% of the annual level of retail electricity sales in the year ended 31 March 2008.

Note 4: Segment Information

Primary Reporting Format - Business Segments
As at 30 September 2008, the Group is organised into two main business segments:
- development, ownership and operation of electricity generation facilities from renewable energy sources ("Generation")
- retail sale of electricity to customers ("Retail")

As the Generation segment derives substantially all of its revenue from internal transfers, it is not a separable reporting segment. Accordingly, there is only one reportable segment in accordance with the requirements of NZ IAS 14 *Segment Reporting* being Retail.

Secondary Reporting Format - Geographical Segments
The Group's two business segments operate predominantly in New Zealand.

Note 5: Financial Risk Management

TrustPower's activities expose it to a variety of financial risks: electricity price risk, interest rate risk, exchange rate risk and credit risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures. Risk management is carried out under policies approved by the Board.

Electricity Price Risk
The Group is required to purchase a percentage of its electricity sold off the electricity spot market. This leaves the Group exposed to fluctuations in the spot price of electricity. The Group has entered into a number of electricity hedge contracts to reduce the risk from price fluctuations on the electricity spot market. These hedge contracts establish the

price at which future specified quantities of electricity are purchased. Any resulting differential to be paid or received is recognised as a component of energy costs through the term of the contract. The Group has elected to apply cash flow hedge accounting to those instruments it deems material and which qualify as cash flow hedges while immaterial contracts will not be hedge accounted.

Interest Rate Risk

The Group's bank borrowings are all on floating interest rates. The Group has various interest rate financial instruments to manage exposure to fluctuations in interest rates. Any resulting differential to be paid or received on the instruments is recognised as a component of interest paid. The Group has elected not to hedge account for these instruments.

Exchange Rate Risk

The Group has from time to time entered into forward exchange contracts to reduce the risk from price fluctuations of foreign currency costs associated with the construction of generation assets. Any resulting differential to be paid or received is recognised as a component of the cost of the project. The Group has also entered into forward foreign exchange contracts to reduce the risk from price fluctuations of foreign exchange income associated with the sale of emission rights. The Group has elected to apply cash flow hedge accounting to these instruments.

Credit Risk

The Group has no significant concentrations of credit risk. It has policies in place to ensure that sales are made to customers with an appropriate credit history. Where a potential customer does not have a suitable credit history a bond is required before the customer is accepted. Derivative counterparties and cash transactions are limited to high credit quality financial institutions and other large electricity market participants. The Group has policies that limit the amount of credit exposure to any counterparty.

Liquidity Risk

The Group's ability to readily attract cost effective funding is largely driven by its credit standing.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through, and adequate amount of, committed credit facilities and the spreading of debt maturities.

Liquidity risk is monitored by continuously forecasting actual cash flows and matching the profiles of financial assets and liabilities.

Capital Risk Management Objectives

The Group's objectives when managing capital are to safeguard the group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital.

Estimation of Fair Values

The fair values and net fair values of financial assets and financial liabilities are determined as follows:

- The fair value of financial assets and liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices.
- The fair value of other financial assets and liabilities are calculated using market-quoted rates based on discounted cash flow analysis.
- The fair value of derivative financial instruments are calculated using quoted prices. Where such prices are not available, use is made of discounted cash flow analysis using the applicable yield curve or available forward price data for the duration of the instruments.

Where the fair value of a derivative is calculated as the present value of the estimated future cash flows of the instrument, the two key types of variables used by the valuation techniques are:

- forward price curve (for the relevant underlying interest rates, foreign exchange rates or commodity prices); and
- discount rates.

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.

Note 6: Derivative Financial Instruments

	UNAUDITED 6 MONTHS SEP 2008 $000	UNAUDITED 6 MONTHS SEP 2007 $000	AUDITED 12 MONTHS MAR 2008 $000
Current			
Interest rate derivative assets	**-**	328	174
Electricity price derivative assets	**4,892**	232	3,731
Exchange rate derivative assets	**-**	258	-
	4,892	818	3,905
Interest rate derivative liabilities	**343**	-	-
Electricity price derivative liabilities	**4,024**	82	2,311
Exchange rate derivative liabilities	**301**	10,901	5,896
	4,668	10,983	8,207
Non-current			
Interest rate derivative assets	**598**	2,341	2,055
Electricity price derivative assets	**9,627**	1,216	19,181
	10,225	3,557	21,236
Interest rate derivative liabilities	**3,393**	-	494
Electricity price derivative liabilities	**1,893**	8,065	88
	5,286	8,065	582

The full fair value of a hedging derivative is classified as a non-current asset or liability if the remaining maturity of the hedged item is more than 12 months and as a current asset or liability if the maturity of the hedged item is less than 12 months.

Note 7: Commitments

	UNAUDITED 6 MONTHS SEP 2008 $000	UNAUDITED 6 MONTHS SEP 2007 $000	AUDITED 12 MONTHS MAR 2008 $000
Capital Commitments	**16,036**	186,477	47,191

The Group has completed constructing a wind farm near Snowtown in South Australia. Contractual agreements for the supply of the significant components of this development have been entered into and the total cost of the project is expected to be $230,920,000. At balance date $214,884,000 has been spent on the developments. The comparative figures relate to an expansion of the Tararua wind farm and the development of the Deep Stream hydro development which have now been completed.

Electricity 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. This commitment cannot be quantified.

TrustPower has a contract with Pioneer Generation Limited to purchase all of the output from its various generation sites. This commitment cannot be quantified.

Note 8: Finance Income and Costs

	UNAUDITED 6 MONTHS SEP 2008 $000	UNAUDITED 6 MONTHS SEP 2007 $000	AUDITED 12 MONTHS MAR 2008 $000
Amortisation of debt issue costs	**540**	683	1,183
Interest paid on unsecured bank loans	**21,678**	9,736	25,621
Interest paid on unsecured subordinated bonds	**9,061**	12,312	21,321
Other interest costs and fees	**-**	185	-
Interest capitalised in construction of property, plant and equipment	**(4,663)**	(2,922)	(6,851)
Total Interest Paid	**26,616**	19,994	41,274
Interest received on cash at bank	**1,824**	490	1,462
Total Interest Received	**1,824**	490	1,462

Note 9: Dividends on Ordinary Shares

	UNAUDITED 6 MONTHS SEP 2008 $000	UNAUDITED 6 MONTHS SEP 2007 $000	AUDITED 12 MONTHS MAR 2008 $000
Final dividend prior period	**47,313**	44,130	44,130
Interim dividend current period	**-**	-	47,309
Supplementary dividend paid	**2,073**	146	305
Foreign investor tax credit	**(2,073)**	(146)	(305)
	47,313	44,130	91,439

Note 10: Share Capital

	UNAUDITED 6 MONTHS SEP 2008 $000	UNAUDITED 6 MONTHS SEP 2007 $000	AUDITED 12 MONTHS MAR 2008 $000
Authorised and issued ordinary share capital at beginning of the period	**176,055**	174,658	174,658
Issue of share capital pursuant to the employee share option scheme	**119**	866	1,397
	176,174	175,524	176,055

Notes to the Interim Financial Statements

	000'S OF SHARES	000'S OF SHARES	000'S OF SHARES
Authorised and issued ordinary shares at beginning of the period	**315,417**	315,075	315,075
Issue of shares pursuant to the employee share option scheme	**20**	247	342
	315,437	315,322	315,417

Note 11: Income Tax Expense

	UNAUDITED 6 MONTHS SEP 2008 $000	UNAUDITED 6 MONTHS SEP 2007 $000	AUDITED 12 MONTHS MAR 2008 $000
Profit before income tax	**89,019**	83,135	136,812
Tax on profit @ 30% (33% for comparative years)	**26,706**	27,435	45,148
Tax effect of permanent differences	**(4,458)**	(3,385)	(458)
Tax effect of change in corporate tax rate on current year deferred tax	**-**	(246)	(1,077)
Tax effect of change in corporate tax rate on opening deferred tax liability	**-**	(4,837)	(4,837)
Income tax over provided in prior period	**(42)**	(97)	(97)
	22,206	18,870	38,679
Represented by:			
Current tax	**18,762**	20,419	32,895
Deferred tax	**3,444**	(1,549)	5,784
	22,206	18,870	38,679

Note 12: Deferred Income Tax

	UNAUDITED 6 MONTHS SEP 2008 $000	UNAUDITED 6 MONTHS SEP 2007 $000	AUDITED 12 MONTHS MAR 2008 $000
Balance at beginning of period	**204,835**	206,775	206,775
Current year changes in temporary differences affecting tax expense	**3,444**	3,288	10,621
Current year changes in temporary differences affecting reserves	**(3,390)**	65	6,239
Effect of announced change in corporate tax rate on:			
Income tax expense	**-**	(4,837)	(4,837)
Revaluation reserve	**-**	(14,169)	(14,169)
Cash flow hedge reserve	**-**	206	206
	204,889	191,328	204,835

	UNAUDITED 6 MONTHS SEP 2008 $000	UNAUDITED 6 MONTHS SEP 2007 $000	AUDITED 12 MONTHS MAR 2008 $000
Deferred tax liabilities consist of temporary differences on:			
Revaluations	**140,860**	140,860	140,860
Other property, plant and equipment movements	**54,417**	41,407	50,010
Employee benefits	**(956)**	(914)	(1,126)
Provisions	**(478)**	(586)	(343)
Customer base assets	**10,191**	11,333	10,762
Financial instruments	**1,467**	(1,132)	6,575
Other	**55**	360	(84)
	205,556	191,328	206,654
Deferred tax assets consist of temporary differences on:			
Revaluations	**-**	-	-
Other property, plant and equipment movements	**(808)**	-	(808)
Financial instruments	**518**	-	1,670
Tax losses unlikely to be utilised within one year	**957**	-	957
	667	-	1,819
Net deferred tax liability	**204,889**	191,328	204,835

Note 13: Property, Plant and Equipment

	UNAUDITED 6 MONTHS SEP 2008 $000	UNAUDITED 6 MONTHS SEP 2007 $000	AUDITED 12 MONTHS MAR 2008 $000
Assets acquired at cost	**40,732**	29,914	182,614
Net book value of assets disposed	**151**	2,424	3,242
Gain/(loss) on disposal	**88**	(368)	(233)

Note 14: Subsequent Events

There have been no material events subsequent to 30 September 2008.

Note 15: Interest Bearing Borrowings

During the six month period ended 30 September 2008, interest bearing borrowings of $302,608,000 were drawn down and repayments of $256,153,000 were made.

Note 16: Contingent Gains and Losses

There are no contingent gains or losses for the group as at 30 September 2008 (30 September 2007: nil, 31 March 2008: nil)

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