



TransGrid

Half Yearly Report

For the period 1 July 2008 to 31 December 2008



Income Statement

For the six months ended 31st December 2008

	Note	Dec-08	Dec-07
		\$'000	\$'000
Income		302,662	267,464
Expenses excluding Finance Costs		(159,939)	(139,121)
Finance Costs		(47,189)	(53,064)
Profit/(Loss) Before Income Tax Expense & Superannuation Actuarial Gains/(Losses)		95,534	75,279
Income Tax Benefit/(Expense) Before Superannuation Actuarial Gains/(Losses)		(27,913)	(22,584)
Profit/(Loss) Before Superannuation Actuarial Gains/(Losses)		67,621	52,695
Superannuation Actuarial Gains/(Losses)	1	(229,797)	(19,750)
Income Tax Benefit/(Expense) on Superannuation Actuarial Gains/(Losses)		68,939	5,925
Profit/(Loss) For The Period		(93,237)	38,871

The accompanying notes form an integral part of these financial statements.



Balance Sheet
As at 31st December 2008

	Dec-08	Jun-08
	\$'000	\$'000
Current Assets		
Cash and cash equivalents	6,055	30,571
Trade and other receivables	61,018	69,857
Inventories	27,528	25,699
Derivatives	30,615	66
Other	3,848	1,331
Total Current Assets	129,064	127,524
Non-Current Assets		
Deferred tax assets	105,260	34,504
Property, plant and equipment	3,746,032	3,531,916
Intangibles	530,244	523,067
Other	3,410	3,603
Total Non-Current Assets	4,384,946	4,093,090
Total Assets	4,514,010	4,220,614
Current Liabilities		
Borrowings	484,480	143,485
Trade and other payables	100,271	144,318
Provisions	64,512	169,541
Current tax payable	14,333	23,564
Derivatives	85	11,222
Other	297,524	67,494
Total Current Liabilities	961,205	559,623
Non-Current Liabilities		
Borrowings	1,319,018	1,388,108
Trade and other payables	2,889	5,412
Deferred tax liabilities	529,845	506,812
Provisions	14,822	10,440
Total Non-Current Liabilities	1,866,574	1,910,772
Total Liabilities	2,827,779	2,470,396
Net Assets	1,686,231	1,750,218
Equity		
Capital	651,967	651,967
Reserves	1,015,799	986,779
Retained Earnings	18,465	111,472
Total Equity	1,686,231	1,750,218

The accompanying notes form an integral part of these financial statements.



Cash Flow Statement

For the six months ended 31st December 2008

	Dec-08	Dec-07
	\$'000	\$'000
Cash Flows from Operating Activities		
Cash Receipts from Customers	329,950	309,926
Cash Paid to Suppliers and Employees	(117,936)	(88,596)
Finance Costs Paid	(62,070)	(53,228)
Interest Received	1,453	1,005
Income Tax Paid	(28,365)	(9,865)
Net Cash Flows from Operating Activities	123,032	159,242
Cash Flows from Investing Activities		
Purchase of Property, Plant and Equipment, and Intangibles	(314,733)	(122,407)
Proceeds from the Sale of Property, Plant and Equipment	1,345	2,447
Net Cash Flows from Investing Activities	(313,388)	(119,960)
Cash Flows from Financing Activities		
Proceeds from Borrowings	766,000	106,750
Repayments of Borrowings	(494,250)	(76,750)
Dividends Paid	(105,910)	(71,482)
Net Cash Flows from Financing Activities	165,840	(41,482)
Net Increase / (Decrease) in Cash and cash equivalents	(24,516)	(2,200)
Cash and cash equivalents at Beginning of the Financial Year	30,571	10,403
Cash and cash equivalents at the End of the Period	6,055	8,203

The accompanying notes form an integral part of these financial statements.



Statement of Recognised Income and Expense
For the six months ended 31st December 2008

	<u>Dec-08</u>	<u>Dec-07</u>
	\$'000	\$'000
Net Unrealised Gains/(Losses) Reserve: Net gains/(losses) taken to equity on Available-for-sale financial assets	-	(425)
Cash Flow Hedge Reserve: Net unrealised gains/(losses) taken to equity	41,687	3,325
Income tax on items taken directly to equity	(12,437)	(870)
Net income recognised directly in equity	<u>29,250</u>	<u>2,030</u>
Profit for the year	(93,237)	38,871
Total recognised income and expense for the year attributable to members of TransGrid	<u>(63,987)</u>	<u>40,901</u>

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
For the Six Months Ended 31st December 2008

Basis of Preparation

The financial statements are a special purpose financial report for the interim reporting period ended 31 December 2008.

The financial statements have been prepared in accordance with the accounting policies disclosed in the Annual Report. Accordingly, this report is to be read in conjunction with TransGrid's Annual Report for the year ended 30 June 2008.

Property, plant and equipment, and derivative financial instruments are measured at fair value. Other financial statement items are prepared in accordance with the historical cost convention, except as otherwise stated in the financial report.

Where necessary, comparative information has been reclassified to conform to the current interim reporting period's presentation.

All amounts are rounded to the nearest thousand dollars (\$'000) and are expressed in Australian currency.

1. EISS Superannuation Defined Benefit Plans

The following tables summarise the components of movement in employer's superannuation reserve recognised in the Income Statement, and the funded status and amounts recognised in the Balance Sheet for the EISS Defined Benefit Superannuation Plans.

The Assets and Liabilities of TransGrid's EISS Defined Benefit Plans at 31 December 2008 are provided by the Scheme's Actuary, Mercer Human Resource Consulting.

(a) Movements in EISS Superannuation Reserve recognised in Income Statement

	Dec-08	Dec-07
	\$'000	\$'000
Current service cost	(15,537)	(7,858)
Interest cost on benefit obligation	(12,921)	(12,735)
Expected return on plan assets	14,206	16,004
Net gains/(expense), excluding actuarial gains/(losses)	(14,252)	(4,589)
Net actuarial gains/(losses) for the period	(229,797)	(19,750)
Net gains/(expense)	(244,049)	(24,339)

Dec-07 comparatives are based on the actuarial assessment provided for purposes of the 2007/08 Annual Accounts adjusted for a half-year outlook.

(b) EISS Superannuation Surplus/(Liability)

	Dec-08	Jun-08
	\$'000	\$'000
Fair Value of Plan Assets at End of Year	304,186	385,164
Present Value of Defined Benefit Obligation at End of Year	(575,787)	(412,716)
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Net Asset /(Liability) Recognised in Balance Sheet	(271,601)	(27,552)
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