



MEDIA RELEASE

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Wellington Airport announces unaudited half-year results to 30 September 2017

Wellington Airport has announced its unaudited results for the six months ended 30 September 2017 with an EBITDAF before subvention payment ¹ of \$47.3 million up 8.2% from the prior period. Net loss after tax was \$1.7 million up from a loss of \$5.0 million in the prior period.

	Unaudited 6 Months Ended 30 September 2017	Unaudited 6 Months Ended 30 September 2016	Audited Year Ended 31 March 2017
Passengers Domestic	2,592,615	2,520,872	5,076,479
Passengers International	429,823	411,587	888,427
Aeronautical income	\$37.6m	\$33.9m	\$70.3m
Passenger services income	\$20.1m	\$18.5m	\$37.0m
Property/other income	\$6.1m	\$6.0m	\$12.2m
Operating expenses and employee remuneration	(\$16.5m)	(\$14.7m)	(\$29.0m)
EBITDAF before subvention payment ¹	\$47.3m	\$43.7m	\$90.5m
Net (Loss)/Profit After Tax	\$(1.7)m	\$(5.0)m	\$16.1m
Capital investment	\$42.3m	\$43.6m	\$80.5m

Steve Sanderson, Chief Executive of Wellington Airport, said the airport was pleased with the traffic growth.

“Wellington Airport is growing by 15,000 passengers a month. This is a result of the support from airlines to enhance our existing services and deliver new routes, and the airport’s investment in route development.”

Total passenger numbers grew +3.1% to over 3 million over the half year period with domestic passengers being the main driver of the increase (+2.8%). Air New Zealand has added more domestic capacity over the last 6 months and regional routes such as Dunedin and Nelson have benefited from strong competition by Jetstar. Sounds Air also continues to capture more of the regional market.

International passenger numbers increased +4.4% as Wellington’s newer services grew in popularity.

“The Wellington-Singapore service, launched in September last year, has generated more tourism into the region and this has also boosted the domestic network with onward connections to destinations like Queenstown.”

Chinese visitor spend in Wellington is up 25% and total Asian visitor spend is up 19% over the last year compared with New Zealand’s increase of only 3%. Recent campaigns from Tourism New Zealand in China and Singapore Airlines in Asia have all contributed to these increases, however there is still significant room for growth as central New Zealand still only received 7% of New Zealand’s Asia visitor spend.

¹ EBITDAF before subvention payment is a useful non-NZ GAAP measure of earnings which presents management’s view of the underlying business operating performance. A reconciliation between WIAL’s NPAT and EBITDAF before subvention payment is set out in the NZX announcement and Note A1 of the Financial Statements for the six months ended 30 September 2017.

Other new routes performing well are Fiji which is a key holiday destination and Jetstar's service to the Gold Coast. "Travellers to and from Wellington are clearly seeing the benefits of increased competition including the impact on price and travel options."

Mr Sanderson said Wellington Airport is committed to increasing its investment in route marketing and to working with partners such as Tourism New Zealand, the Wellington Regional Economic Development Agency, and central New Zealand's economic development and tourism agencies.

Wellington Airport had invested \$42.3 million over the period. The multi-level transport hub construction is past the halfway stage and expected to be complete in mid-2018. The Rydges Hotel build is also underway at the northern end of the airport with completion expected by the end of 2018.

"The hotel will enable people travellers to and from central New Zealand to start or conclude their journey with a night's rest, especially important for those flying on early morning departures or late-night arrivals," said Mr Sanderson

"Travellers have also welcomed the main terminal extension and we have commenced refurbishment of the existing terminal space to open up the whole area and introduce new retail, food and beverage options.

"These developments are part our \$300 million investment programme to improve and grow our aeronautical and traveller facilities."

"The joint venture with Wellington City Council to extend Wellington's runway will enable long haul flights directly to and from central New Zealand, delivering significant visitor growth, business connectivity and more convenient, affordable long-haul services. This will be more important than ever to bring in visitors for developments in the pipeline such as the Convention Centre, Film Museum, Project Kupe, and the Porirua adventure park."

Wellington Airport and the Civil Aviation Authority's appeal to the Supreme Court over the length of runway end safety areas was heard at the end of August. The airport and CAA asked the Supreme Court to clarify the regulatory requirements around the length of safety areas, which must be between 90 and 240 metres.

"Many Australian airports including Sydney have 90m safety areas and the Australian Aviation Authority recently approved a 90m RESA for Hobart's 500m extension," said Mr Sanderson.

"We remain fully committed to the project and are hopeful of a decision from the Supreme Court at the end of the year."

The Airport is proud to play a supporting role in the region's events and community endeavours. "Wellington Airport is a major supporter of New Zealand's most successful innovative performing arts and design event, the World of Wearable Art, which attracts close to 60,000 people every year."

"At the end of October we celebrated the contribution of community group volunteers with the Wellington Airport Regional Community Awards, which attracts well over 200 nominations from volunteer organisations from across the region."

"We are also looking forward to the biennial New Zealand Festival in late February 2018 where over 100,000 people attend around 400 local and international performances."

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