



## WELLINGTON INTERNATIONAL AIRPORT LIMITED

### Half-Year Report

12 November 2014

Wellington International Airport Limited (WIAL) is pleased to provide the NZX with its half-year report for the six month period ended 30 September 2014.

### Wellington International Airport Limited

#### Results for announcement to the market

Reporting Period	Six months to 30 September 2014		
Previous Reporting Period	Six months to 30 September 2013		
	30 Sep 2014 (\$000)	30 Sep 2013 (\$000)	Percentage change (%)
Total revenue from ordinary activities	53,561	54,987	(2.6%)
Profit (loss) from ordinary activities after tax attributable to security holders*	(7,240)	1,294	(659.5%)
Net profit (loss) attributable to security holders*	(7,240)	1,294	(659.5%)
	Amount per security	Amount per security	Imputed amount per security
Interim/Final Dividend	N/A	N/A	N/A
Record Date	N/A		
Dividend Payment Date	N/A		
Comments	<p>WIAL has issued NZDX listed fixed rate bonds with a coupon rate of 6.25% and a maturity date of 15 May 2021. Interest payments were made to bond holders on 15 May 2014.</p> <p>WIAL's NZDX listed fixed rate bonds with a coupon rate of 7.50% matured on 15 November 2013. Interest payments were made to bond-holders on 15 May 2013 and 15 November 2013. WIAL does not have equity listed on the NZSX.</p>		

\*Note these amounts are not attributable to the security holders (i.e. the bond holders of WIAL), but to the two shareholders of WIAL (these shares are not listed).

## Accompanying Documents

Accompanying, and forming part of this half-year report, are the following documents:

- WIAL consolidated financial statements for the six months to 30 September 2014
- (a) This announcement is extracted from the unaudited financial statements of WIAL. For more detailed analysis and explanation please refer to the attached statements.
- (b) All dollars are in New Zealand currency.

## Further Notes

- (a) For the current reporting period, the results comprise WIAL and its 100% owned subsidiary Wellington Airport Noise Treatment Limited.
- (b) WIAL has a Standard & Poor's credit rating of BBB+ stable issued on 13 May 2014.
- (c) The following table presents further information relevant to WIAL's performance:

	30 Sep 2014 (\$000)	30 Sep 2013 (\$000)	Percentage change (%)
Landing and terminal charges	30,940	32,403	(4.5%)
Retail and trading activities	16,929	16,981	(0.3%)
Property rent and lease income	5,692	5,603	1.6%

- (d) WIAL made a dividend payment of \$11,965,840 on 26 June 2014 to the Wellington City Council.
- (e) The net tangible assets per share was \$10.49 as at 30 September 2014 and \$10.42 as at 30 September 2013.
- (f) NZX has granted WIAL a waiver from NZX Listing Rule 11.1.1, to enable WIAL to decline to accept or register a transfer of Bonds that is not in multiples of \$1,000 and/or results in the transferor or transferee each holding (if not zero) an aggregate principal amount of Bonds of less than the Minimum Holding (as that term is defined in the NZX Listing Rules) of \$10,000. WIAL may not refuse to register a transfer if the transfer is for all of the transferor's Bonds.

(g) WIAL's EBITDAF before subvention payment is presented to provide further information on its operating performance. The directors and managers consider it is a useful non-GAAP financial measure for investors as it shows the contribution to earnings prior to non-cash items such as depreciation and amortisation and fair value adjustments, and before the cost of financing, subvention payments and taxation. EBITDAF before subvention payment is used by management in conjunction with other performance measures to monitor financial performance. It is calculated by adjusting net profit after taxation for the year for subvention payments and for items that are non-operating such as interest, taxation, depreciation, revaluations and impairments. The adjustments in the reconciliation table below are set out in Note 3 to the half year financial statements of WIAL.

	<b>6 months 30 Sep 2014</b>	6 months 30 Sep 2013	12 months 31 Mar 2014
	<b>\$000</b>	\$000	\$000
	<b>Unaudited</b>	Unaudited	Audited
<b>Net (loss)/profit after taxation <sup>1</sup></b>	<b>(7,240)</b>	<b>1,294</b>	<b>23,455</b>
Subvention payment <sup>2</sup>	<b>38,230</b>	35,330	35,330
Net interest expense <sup>3</sup>	<b>9,093</b>	9,725	18,670
Taxation (income)/expense <sup>4</sup>	<b>(7,756)</b>	(5,529)	2,634
Depreciation <sup>5</sup>	<b>8,089</b>	7,690	15,781
Investment property revaluation net (decrease)/increase <sup>6</sup>	<b>27</b>	-	(511)
Loss/(gain) on sale of property, plant and equipment <sup>7</sup>	<b>3</b>	(8)	(118)
Impairment of assets held for sale <sup>8</sup>	<b>251</b>	656	959
Increase in value of financial instruments designated at fair value through profit or loss <sup>9</sup>	<b>(289)</b>	(6,700)	(10,168)
<b>EBITDAF before subvention payment</b>	<b>40,408</b>	42,458	86,032

1. The net (loss)/profit after taxation has been prepared in accordance with New Zealand generally accepted accounting practice and the New Zealand equivalents to International Financial Reporting Standards. The reported profit information has been extracted from the unaudited half year financial statements of WIAL.
2. WIAL is a member of the Infratil tax group. WIAL pays subvention payments to other members of the Infratil tax group. The amount paid in the period ended 30 September 2014 was \$38.2 million (30 September 2013 and 31 March 2014: \$35.3 million).
3. Interest expense less interest income for the period ended 30 September 2014 of \$9.1 million (30 September 2013: \$9.7 million, 31 March 2014: \$18.7 million).
4. Taxation income for the period ended 30 September 2014 of \$7.8 million (2013: \$5.5 million income, 31 March 2014: \$2.6 million expense).
5. Depreciation expense for the period ended 30 September 2014 of \$8.1 million (30 September 2013: \$7.7 million, 31 March 2014: \$15.8 million).
6. The net fair value decrease of WIAL's investment properties for the period ended 30 September 2014 was \$27,000 (30 September 2013: nil, 31 March 2014: \$0.5 million increase).
7. Loss on sale of property, plant and equipment of \$3,000 for the period ended 30 September 2014 (30 September 2013: \$8,000 gain, 31 March 2014: \$118,000 gain).
8. Impairment of assets held for sale of \$0.3 million for the period ended 30 September 2014 (30 September 2013: \$0.7 million, 31 March 2014: \$1.0 million) relates to the write down and disposal of residential houses adjacent to the airport boundary.
9. The fair value movement of the interest rate swaps put in place to hedge WIAL's floating rate wholesale bonds, and the fair value movement of the foreign exchange contracts put in place to hedge certain currency exposures. The increase in fair value for the period ended 30 September 2014 is \$0.3 million (30 September 2013: increase of \$6.7 million, 31 March 2014: increase of \$10.2 million).