



Annual Results Presentation

22 August 2019

Adrian Littlewood
Chief Executive

Philip Neutze
Chief Financial Officer



Important notice

2019

Annual Results

Disclaimer

This presentation is given on behalf of Auckland International Airport Limited (NZX: AIA; ASX: AIA; ADR: AUKNY). Information in this presentation:

- is provided for general information purposes only, and is not an offer or invitation for subscription, purchase, or recommendation of securities in Auckland International Airport Limited (Auckland Airport);
- should be read in conjunction with, and is subject to, Auckland Airport's audited Annual Report for the twelve months ended 30 June 2019, prior annual and interim reports and Auckland Airport's market releases on the NZX and ASX;
- includes forward-looking statements about Auckland Airport and the environment in which Auckland Airport operates which are subject to uncertainties and contingencies outside of Auckland Airport's control. Auckland Airport's actual results or performance may differ materially from these statements;
- includes statements relating to past performance, which should not be regarded as a reliable indicator of future performance; and
- may contain information from third parties believed to be reliable; however, no representations or warranties are made as to the accuracy or completeness of such information.

All information in this presentation is current at the date of this presentation, unless otherwise stated. Auckland Airport is not under any obligation to update this presentation at any time after its release, whether as a result of new information, future events or otherwise.

All currency amounts are expressed in New Zealand dollars unless otherwise stated and figures, including percentage movements, are subject to rounding.

Refer page 36 for a glossary of the key terms used in this presentation.

Highlights



Results at a glance

2019

Annual Results

Highlights

Financial performance

Our continuing journey

Regulatory and guidance

Revenue

\$743.4m

 8.7%

Underlying profit

\$274.7m

 4.4%

Passenger movements

21.1m

 2.8%

Operating cashflow

\$375.9m

 17.0%

EBITDAFI

\$554.8m

 9.6%

Earnings per share*

22.8c

 3.6%

Aircraft movements

178,771

 2.6%

Capital investment

\$284.1m

 29.9%

Growth across the business

2019

Annual Results

Highlights

Financial performance

Our continuing journey

Regulatory and guidance



Aeronautical

\$312.7m revenue 3.8%

Moderating passenger growth:

3.0% International

3.6% Domestic

(4.9%) Transits



Retail

\$225.8m income 18.5%

Finalising expansion project:

32 new store concepts opened

\$20.50 income per passenger

6.6% uplift in international PSR



Transport

\$64.2m revenue 5.2%

Replacement capacity built:

1,000 bay multi-storey car park

3.8% ARPS increase



Property

\$86.6m revenue 9.5%

Development momentum continues:

\$515m under construction

\$1.7bn portfolio value

\$100m rent roll



Hotels

\$39.4m revenue* 0.5%

Ongoing strong demand:

~94% occupancy



Queenstown

\$49.6m revenue 8.5%

Strong passenger growth:

10.0% International

7.8% Domestic



Financial performance



Solid growth in revenue and EBITDA

2019

Annual Results

For the year ended 30 June 2019 (\$m)	2019	2018	Change
Revenue	743.4	683.9	8.7%
Expenses	188.6	177.5	6.3%
Earnings before interest, taxation, depreciation, fair value adjustments and investments in associates (EBITDAFI)	554.8	506.4	9.6%
Share of profit from associates	8.2	16.7	(50.9%)
Derivative fair value (decrease)/increase	(0.6)	(0.7)	(14.3%)
Property, plant and equipment revaluation	(3.8)	-	n/a
Investment property revaluation	254.0	152.2	66.9%
Depreciation expense	102.2	88.9	15.0%
Interest expense	78.5	77.2	1.7%
Taxation expense	108.4	155.8	(30.4%)
Reported profit after tax	523.5	650.1	(19.5%)
Underlying profit after tax*	274.7	263.1	4.4%

Revenue growth across the business

2019

Annual Results

Highlights

Financial performance

Our continuing journey

Regulatory and guidance

For the year ended 30 June 2019 (\$m)	2019	2018	Change
Airfield income	127.6	122.1	4.5%
Passenger services charge	185.1	179.1	3.4%
Retail income	225.8	190.6	18.5%
Car park income	64.2	61.0	5.2%
Investment property rental income	86.6	79.1	9.5%
Other rental income	21.2	18.5	14.6%
Other income	32.9	33.5	(1.8%)
Total revenue	743.4	683.9	8.7%

- Aeronautical income rose 3.8% in the year reflecting growth in passengers, aircraft movements and higher aircraft parking income, partially offset by a reduction of aeronautical charges
- Retail income increased by 18.5%, driven by the contribution from 32 new retail concepts that opened during the year, the full year effect of the expanded departures duty free stores and strong performance from The Collection Point and Strata Lounge
- Parking revenue grew 5.2%, slightly ahead of passenger movements, as a result of an increase in demand, particularly evident in higher value products close to the terminals
- Investment property rental income growth of 9.5% reflected the completion of new assets, the full-year impact of developments completed during the previous financial year, as well as strong rental growth in the existing portfolio

Passenger growth moderating

2019

Annual Results

For the year ended 30 June 2019 (\$m)	2019	2018	Change
International arrivals	5,284,325	5,116,341	3.3%
International departures	5,222,335	5,086,185	2.7%
International passengers excluding transits	10,506,660	10,202,526	3.0%
Transit passengers	1,011,328	1,063,856	(4.9%)
Total international passengers	11,517,988	11,266,382	2.2%
Domestic passengers	9,593,625	9,263,666	3.6%
Total passengers	21,111,613	20,530,048	2.8%

- Total passenger volume growth of 2.8% driven by small capacity additions on both domestic and international services
- International passenger growth of 3.0% reflecting increased airline capacity, primarily on Asian, Pacific Island and North American routes
- Domestic passenger volumes increased by 3.6% driven by capacity additions on both main trunk and regional services
- Transit passengers were down 4.9% reflecting passengers choosing to travel on direct services, particularly between Australia and the Americas



Highlights
Financial performance
Our continuing journey
Regulatory and guidance

Aircraft movements and MCTOW still growing

2019

Annual Results

For the year ended 30 June (\$m)	2019	2018	Change
Aircraft movements			
International aircraft movements	57,082	55,693	2.5%
Domestic aircraft movements	121,689	118,583	2.6%
Total aircraft movements	178,771	174,276	2.6%
MCTOW (tonnes)			
International MCTOW	5,894,112	5,798,018	1.7%
Domestic MCTOW	2,372,412	2,341,699	1.3%
Total MCTOW	8,266,524	8,139,717	1.6%

- International aircraft movements growth of 2.5% exceeded 1.7% growth in international MCTOW. The withdrawal of Emirates' Tasman services and engine maintenance on Air NZ's B787 Dreamliner aircraft reduced MCTOW growth as services were backfilled by smaller aircraft
- Domestic aircraft movements increased 2.6% in the year, ahead of Domestic MCTOW reflecting the increased frequency of smaller capacity regional services

Opex growth well down on 1H FY19 and FY18

2019

Annual Results

For the year ended 30 June (\$m)	2019	2018	Change
Staff	59.1	57.9	2.1%
Asset management, maintenance and airport operations	81.1	69.5	16.7%
Rates and insurance	16.1	13.7	17.5%
Marketing and promotions	12.7	13.8	(8.0%)
Professional services and levies	8.6	11.1	(22.5%)
Other	11.0	11.5	(4.3%)
Total operating expenses	188.6	177.5	6.3%
Depreciation	102.2	88.9	15.0%
Interest	78.5	77.2	1.7%

- Total operating costs in the year up 6.3% compared with 13.6% growth in both 1H FY19 and FY18
- Staff costs rose 2.1% reflecting additional head count requirements in airfield safety and compliance and airport development and delivery, partially offset by a decline in the use of casual staff and contractors
- Asset management, maintenance and operations expenses increased by 16.7% due to additional security operations, continued transformation of our business technology operations and higher variable costs from revenue-generating Strata Lounge, Park & Ride and Valet
- Rates and insurance grew by 17.5%, driven by rates and insurance premium increases, new properties and a significant rise in Auckland Council capital values
- Professional services and levies reduced by 22.5% as the volume of regulatory work continued to decline and fewer business operations studies were undertaken

Associates' performance

2019

Annual Results

Highlights

Financial performance

Our continuing journey

Regulatory and guidance



For the year ended 30 June (\$m)	2019	2018	Change
Queenstown Airport (24.99% ownership)			
Total Revenue	49.6	45.7	8.5%
EBITDA	34.3	31.6	8.5%
Underlying Earnings (Auckland Airport share)	4.1	3.8	7.9%
Domestic Passengers	1,665,397	1,544,225	7.8%
International Passengers	655,950	596,444	10.0%
Aircraft movements	17,734	16,148	9.8%



Novotel Tainui Holdings (40.00% ownership)			
Total Revenue	30.3	30.7	(1.3%)
EBITDA	11.5	12.1	(5.0%)
Underlying Earnings (Auckland Airport share)	4.1	4.5	(8.9%)
Average occupancy	93.1%	92.4%	
Average room rate increase	(0.8%)	5.4%	

Capital expenditure update

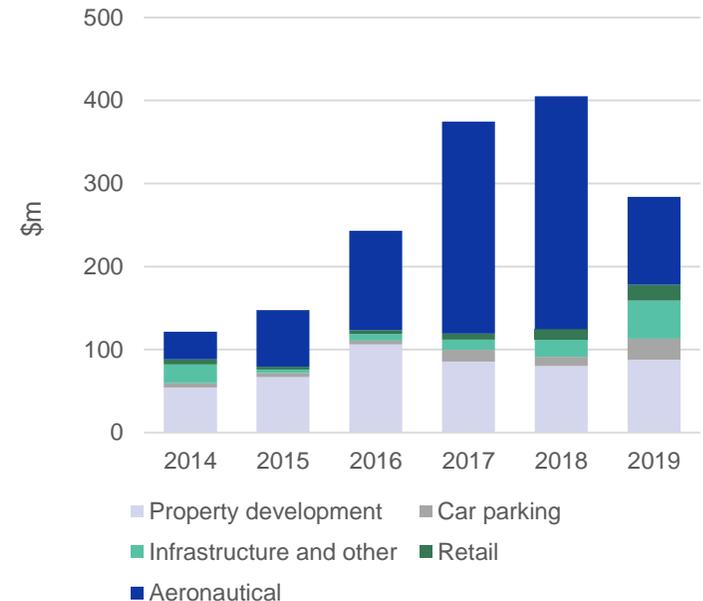
2019

Annual Results

Over \$1bn value of projects under construction

- FY19 capital expenditure was \$284.1m as the airport continued to invest in key projects
- The year on year capex decline was due to a reduction in spend on aeronautical projects, as we work on re-sequencing the capital programme and updating the designs of key anchor projects
- Key aeronautical projects in 2019 included:
 - completion of the level 1 departures expansion at the International Terminal;
 - design of the new taxiways and remote stands;
 - design and enabling activity for the expansion of the arrivals biosecurity area; and
 - the design of the new Domestic Jet Facility
- Other expenditure included a number of transport-related projects, the construction of a new multi-storey car park, investment in online retail channel, The Mall and the Foodstuffs facility

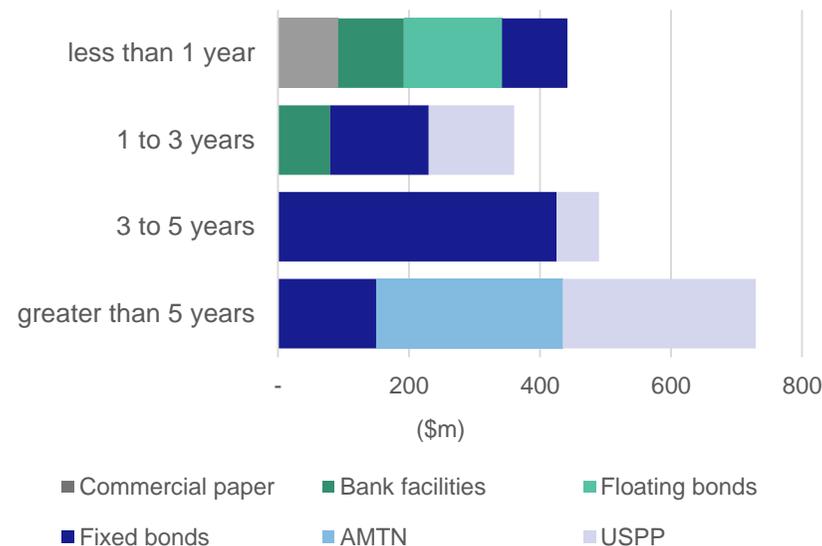
Historical capital expenditure



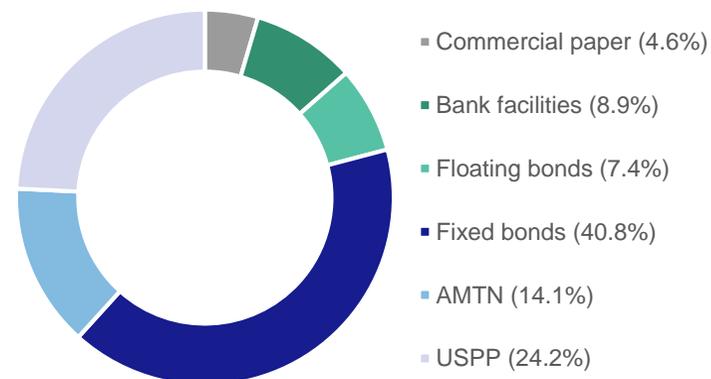
Funding

- Total borrowings at 30 June increased to \$2,190.4m, 6.3% up on the prior year
- Committed undrawn facility headroom at 30 June of c.\$374.0m
- Committed to our A- credit rating
- Dividend policy of paying ~100% of underlying NPAT
- Dividend reinvestment plan remains in place for the FY19 final dividend and offered at a 2.5% discount to market price
- Considering a NZDCM issue(s) of approximately \$250m in the second half of calendar 2019

Debt maturity profile



Sources of funding



Credit metrics

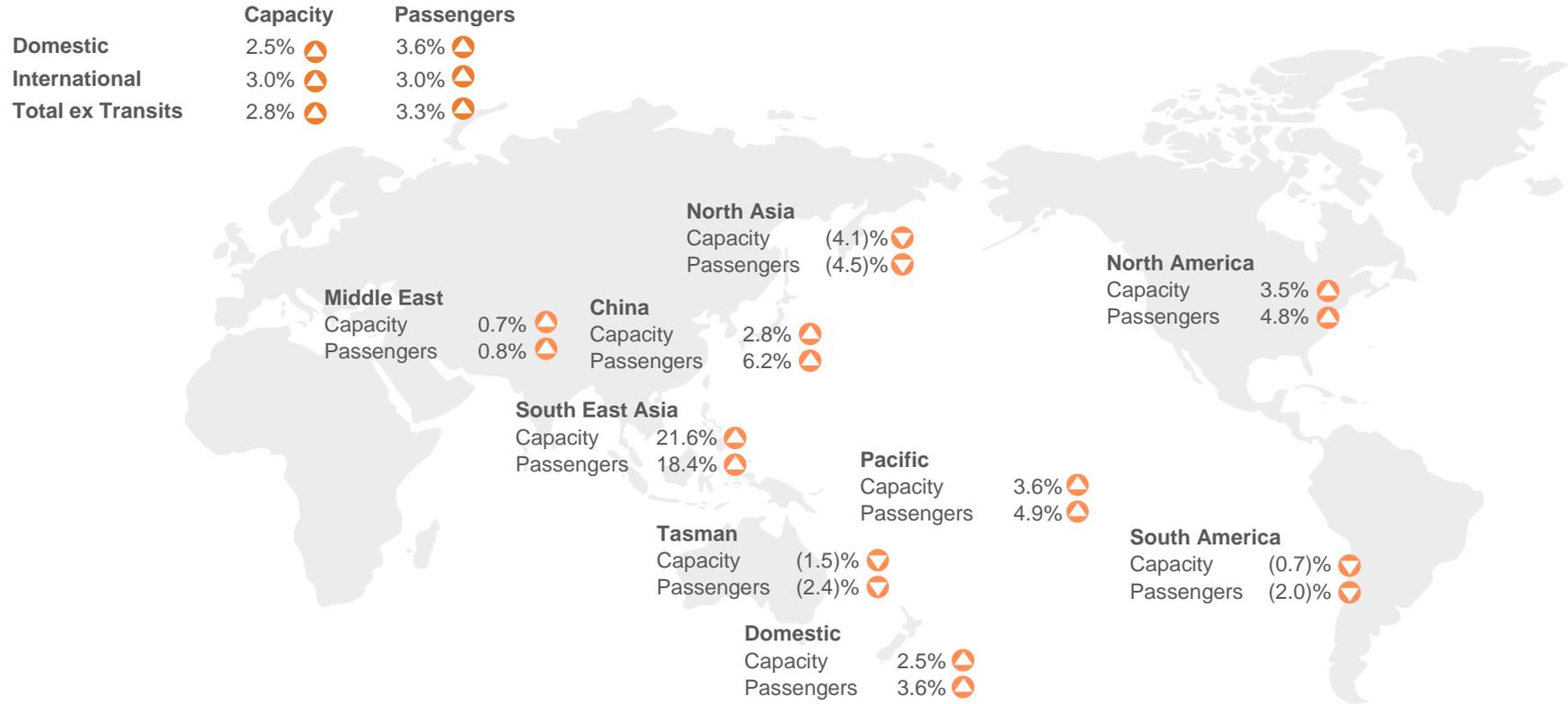
For the year ended 30 June	2019	2018
Debt/Debt + market value of equity	15.5%	20.3%
Funds from operations interest cover	5.4	5.0
Funds from operations to net debt	18.6%	18.4%
Weighted average interest cost	4.28%	4.24%
Average debt maturity profile	4.12	4.93
Percentage of fixed borrowings	60.1%	54.7%

Our continuing journey





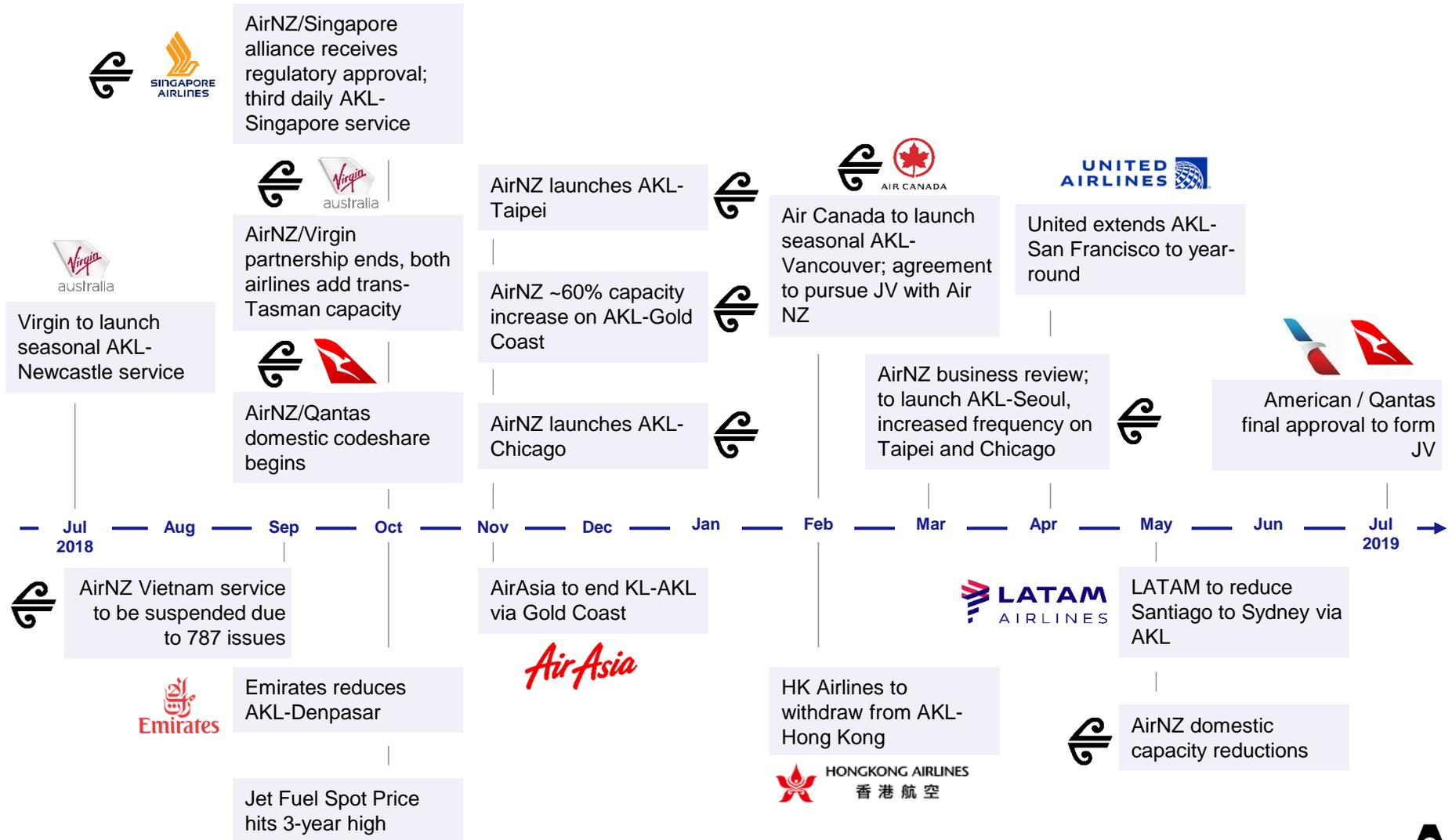
Moderating growth as industry responds to changing market dynamics*



- Differing growth across markets reflecting underlying demand for travel and economic conditions
- New routes to Asia and North America added, improving market structure connectivity
- Changing alliances and airlines' focus on yield are reducing capacity



Summary of key market announcements in 2019





Near term challenges

Markets

- China slowdown impacting groups and dual Australia / New Zealand destination; Mono-destination FIT arrivals growing
 - direct arrivals stay an average of 13.4 days in New Zealand, vs 3.9 days for indirect
- Brexit slowing European arrivals
- South America declining fast
- Australian market growth moderating
- New Zealand outbound strength

Factors / Influencers

- Jet fuel prices
- Airlines slowing global capacity growth
- Airlines targeting profitability growth over volume growth due to economic uncertainty
- Airline alliances influencing growth
- Positive domestic demand, growth constrained by seat capacity
- North American market a bright spot
- Equipment / aircraft specific issues influencing fleet decisions



Long term opportunities

Markets

- China, India and South East Asia – emerging middle class of travellers
- USA, Canada and Australia – ‘baby boomer’ travel wave; New Zealand is attractive, need additional capacity to unlock
- New Zealand outbound – growing population, high propensity to travel, immigration supports outbound growth
- Domestic – favourable economic bias

Enablers

- Tourism / New Zealand infrastructure response
- International Conference Centre
- New Zealand is still a highly attractive destination – 118m active considerers
- Growth aligned policies, eg liberal air services agreements
- Next generation aircraft technology
- Airline order books full
- History shows travel keeps growing – 110% growth in global markets since 9/11

Strategic priority: Invest for future growth



2019 Annual Results

Customers are seeing the benefits of our infrastructure programme

- The international departures expansion (Phase 3) project reached practical completion in 2019 delivering 36,000m² of new and refurbished space in the international terminal
- Phase 3, together with other recently completed elements of the international terminal development programme substantially improve customer amenity and operational efficiency through new:
 - emigration and security processing area;
 - passenger decompression areas;
 - enhanced passenger amenities; and
 - expanded retail space
- Completed the Landing Road intersection upgrade and the Nixon Road bypass, delivering substantial improvements in traffic flow across the precinct



International departures expansion project



Landing Road intersection

Our complex infrastructure programme involving over 200 interconnected projects is well underway

- Significant work and collaboration on the advancement of our programme throughout FY19, including airfield, terminals and transport projects
- Three of the eight anchor projects now into an execution phase with physical works underway

Anchor projects

- Eight anchor projects create significant additional aeronautical capacity to cater for future growth
- Since setting pricing for PSE3 we have been consulting with key stakeholders around the design of many of these projects and their construction
- This consultation process has resulted in us revisiting a number of the design elements to ensure they meet the needs of customers
- Given the increased scale of these projects we have also revisited the timing and sequencing to ensure the anchor projects:
 - provide the right level of headroom to enable construction to occur; and
 - minimise disruption to customers



Strategic priority: Invest for future growth



2019 Annual Results

Highlights
Financial performance
Our continuing journey
Regulatory and guidance

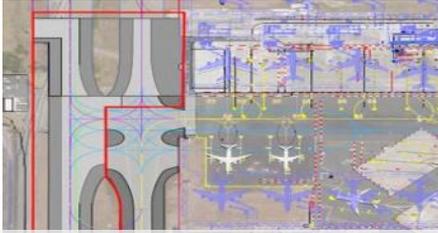
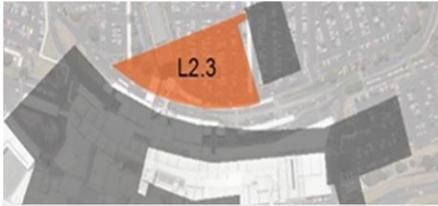
		FY19	FY20	Beyond
Terminal	 <p>New domestic jet facility</p>	<ul style="list-style-type: none"> Principal design elements established Detailed consultation on function and process Concept design commenced 	<ul style="list-style-type: none"> Procurement model completed Commence enabling works Detailed design and consultation with stakeholders and airlines 	<ul style="list-style-type: none"> Continue enabling works Complete detailed design Award construction contract
Terminal	 <p>New international arrivals</p>	<ul style="list-style-type: none"> Completed preliminary design Agreed key elements with border agencies and airlines Awarded and commenced next phase of design ECl in progress 	<ul style="list-style-type: none"> Complete detailed design Commence construction enabling works Award construction contract and commence works 	<ul style="list-style-type: none"> Continue construction
Terminal	 <p>Domestic rejuvenation</p>	<ul style="list-style-type: none"> Expansion of foodcourt and security area commenced Further follow-on feasibility studies commenced for additional works 	<ul style="list-style-type: none"> Follow-on projects design completed Complete foodcourt and security area works 	<ul style="list-style-type: none"> Commence civil and major airfield works to enable the expansion of Regional
Terminal	 <p>New cargo precinct</p>	<ul style="list-style-type: none"> Industry study complete Precinct location confirmed Consultation with industry stakeholders underway Commercial discussions initiated 	<ul style="list-style-type: none"> Finalise concept design Development and integration of airside interfaces with apron Commercial discussions completed 	<ul style="list-style-type: none"> Commence civil works and construction Construction of airside / landside interfaces Commence relocations

Strategic priority: Invest for future growth



2019 Annual Results

Highlights
Financial performance
Our continuing journey
Regulatory and guidance

		FY19	FY20	Beyond
Airfield	 <p>Northern stands & taxiways</p>	<ul style="list-style-type: none"> Finalised detailed design Agreed design and acceleration of project with stakeholders and airlines Construction contract awarded 	<ul style="list-style-type: none"> Commencement of enabling and civil works 	<ul style="list-style-type: none"> Taxiway Mike and Lima operational testing Stand earthworks completed Commence construction of drainage and pavement
Airfield	 <p>Northern runway</p>	<ul style="list-style-type: none"> NOR decision issued Feasibility design complete Concept design commenced Consultation with stakeholders and airlines 	<ul style="list-style-type: none"> Completing work on timing for the northern runway Concept design complete Procurement model under development 	<ul style="list-style-type: none"> Detailed design underway Earthworks construction forecast to begin in FY21, subject to triggers
Transport	 <p>PUDO and MSCP1</p>	<ul style="list-style-type: none"> Completed concept design Agreed key elements with stakeholders and airline Commenced preliminary design Early contractor engagement 	<ul style="list-style-type: none"> Complete design Commence construction enabling works Award construction contract and commence works 	<ul style="list-style-type: none"> Continue construction
Transport	 <p>Northern road network</p>	<ul style="list-style-type: none"> Continued detailed design Consultation with stakeholders and airlines Construction contract awarded 	<ul style="list-style-type: none"> Construction commenced 	<ul style="list-style-type: none"> Stage 1 GBMD* widening and two-way north/south by-pass complete Terminal exit road opened



Strategic priority: Invest for future growth



2019

Annual Results

Development momentum underpins strong growth

- Investment property portfolio now \$1.7bn
- During FY19, completed 3 developments with a net lettable area of 26,000m²; development outlook remains very strong
- \$515m of properties currently under construction, including:
 - 85,000m² Foodstuffs* office and warehouse facility – on budget and ahead of programme
 - 11,000m² multi-unit speculative facility – in earthworks
 - 5,500m² spec build – pre-leased to Bapcor
 - Airways office and control centre
 - stage 1 of the Landing commercial centre
- Capacity to accommodate 90,000m² of new industrial facilities on existing development-ready land. Stage 4 of land development works planned in 2020 to meet demand
- Contractors appointed for 5-star Pullman hotel with works commencing in August. Construction underway for 146 room Hotel 4 within the Quad Office precinct
- Rohlig development winner of NZIA Commercial Architecture award, DSV development awarded PCNZ Excellence and Best in Category Industrial Award

\$100m

Investment property
rent roll

97.7%

Occupancy in the
portfolio

9.38 years

WALT

209

hectares of land available
for development



Pullman hotel render



In 2019 we have...

- Agreed pathway with ACE* forum to increase air traffic movements to 47 per hour in 1H20 and 50 per hour by 2022
- Doubled number of kiosks at the international terminal and added more airlines to the service
- Invested in infrastructure to enable ground handlers to charge their electric equipment
- Implemented a new SMART flight approach
- Facilitated the addition of a new biosecurity CT scanner by MPI and body scanners by AVSEC
- Updated elements of back-of-house baggage system

Capacity and effectiveness

- Added four new mobile airbridges providing customers with a safer, faster and more comfortable experience
- Rolled out 4,000 new braked baggage trolleys
- Upgraded the Wi-Fi network enabling improved service and extended the free period to 2 hours
- Developed and rolled out a new customer service promise / philosophy
- Refurbished the transit screening facility

Passenger experience improvements

Next year we are...

- Continuing the rollout of check in kiosks, aiming to process 80% of international passengers by NW19
- Introducing automated bag drop machines
- Adding pre-security gate scanners
- Demolishing the old engineering depot to make way for a regional aircraft stand
- Adding dwell and larger security screening at DTB
- Releasing home-to-gate version of the airport app



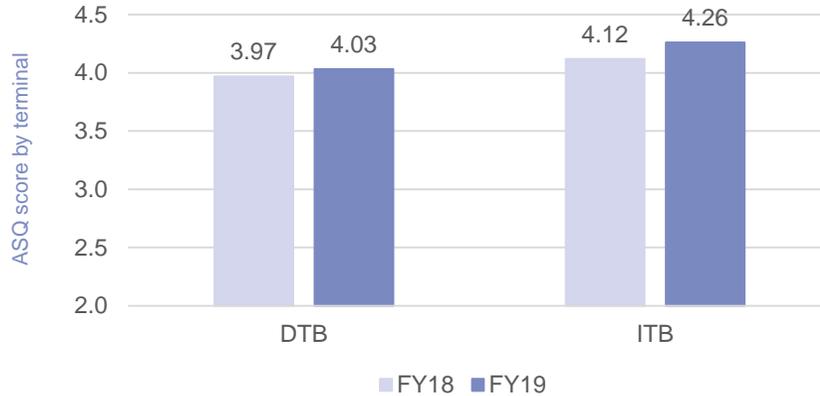
Strategic priority: Be fast, efficient and effective



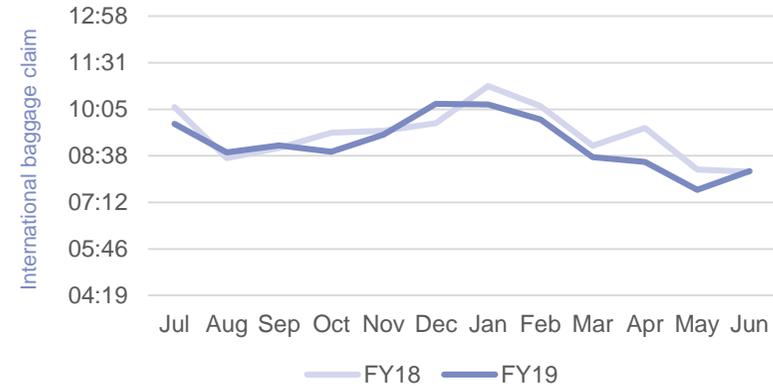
2019 Annual Results

We are focused on overall system performance

- ITB annual ASQ score lifted to highest in 7 years



- Baggage reclaim time continued to improve in 2H19

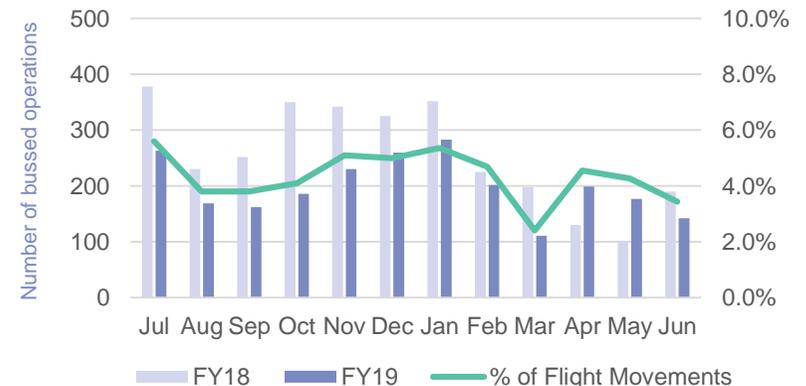


* December 2018 baggage reclaim processing time increase was due to the 8 December fire incident

- Stable customer experience kiosk scores maintained



- Number of bussed international flights has declined 22.4% year on year



*Increase in bus ops in April and May 2019 due to planned gate maintenance



Highlights
Financial performance
Our continuing journey
Regulatory and guidance

Strengthen our consumer business



Departures upgrade finalised

- Retail income up 18.5% and income per passenger grew by 15.4%*
- moderated in 2H19 as we cycled prior year store openings

18.5%

Increase in retail income

15.4%

Increase in retail income per passenger*

87.0%

Growth in Strata Club membership

* Per international passenger



AIA's new dining precinct has been named the global Airport Food & Beverage Offer of the Year at the 2019 Airport Food and Beverage Awards in Dallas, USA



New Strata Lounge executive chef



On-terminal

- 2H19 saw final outlet openings at the International Terminal, including Wondertree, The Juicery and McDonalds. In total, 32 new retail concepts were opened in FY19
 - the flagship Emirates bar is due to open in FY20
 - Domestic Terminal openings included 3 Wise Men, Gipsy Moth, Orleans, Krispy Kreme and Little Gipsy cafe
- International Terminal retail sales were up 9.8% while PSR increased 6.6%, with Duty Free and Luxury the biggest contributors
 - Duty Free PSR grew 6.1%, led by electronics and cosmetics & skincare, including items sold via the airport online store, The Mall
- Strata Lounge revenue grew 58.5% on prior year through increased airline partnerships

Off-airport

- Investment in improving efficiency and customer experience at the Collection Point is generating results
- The Mall celebrated its first anniversary; transactions via the platform in 2H19 doubled compared to 1H19
- We are exploring further opportunities to better leverage WeChat as a channel to the grow into the Asian market

Newly opened Food and Beverage offering





Parking revenue moderating but still outpacing passenger growth

- Parking income increased by 5.2% while ARPS grew by 3.8% driven by customer demand, particularly for higher value products close to the terminals, as well as improved utilisation of space as a result of technology solutions
- Construction of the 1,000 (500 net) bay multi-storey car park completed with the facility operational from 1 July, providing capacity ahead of the eventual partial closure of Car Park A
- Added 500 valet storage spaces in July, with another 500 planned for Q2 FY20
- Created dedicated ridesharing queueing and pick-up spaces at the terminals
- Submitted a resource consent application for a new Park & Ride South facility
 - aiming for ~2,000 spaces in Stage 1, with a target completion in early calendar 2021
 - location ties in with Puhinui major bus and rail interchange upgrade led by Auckland Transport
- 3,000 space multi-storey car park project currently in early contractor involvement process

29.5% Valet revenue growth

45.7% Online channel as % of total car parking income

8.8% Number of parking transactions through Strata



Artist impression of the 3,000 space multi-storey carpark

People, place and community



Customer experience

Invest in infrastructure that enhances the customer experience



Ranked top 10 in the Colmar Brunton Corporate Reputation Index 2019 – 3rd year in a row

New investment in customer contact centre

- ▼ 22.4% decline in the number of international flight movements bussed to the terminal
- 4.15** Overall ASQ customer satisfaction score improvement driven by international terminal upgrade
- 4.07** Customer in-terminal kiosk score, a 1.3% increase on prior year



Safety and sustainability

Commit to operating in a safe and environmentally sustainable way



Recognised again as a New Zealand Top Carbon Reducer
Enviro-Mark Solutions
Excellence in Climate Action Award – Large Organisation Finalist

- B** Carbon Disclosure Project rating for disclosure of progress on carbon reduction targets
- ▼ 33% carbon emissions per m² reduction versus 2012 baseline
- ▲ 7% increase in reporting of safety observations and hazards
- ▼ 41% reduction in the passenger injury rate



Education and employment

Share the benefits of our investment programme through job creation and training



- 784 training opportunities
- 210 job placements
- 77 students involved in work experience¹
- 10 local year 13 students Auckland Airport education scholarships
- \$583,907 investment in local communities
- \$120,000 of public donations redistributed to 12 charities

Regulatory and guidance



Regulatory update

2019

Annual Results

PSE3 Pricing

- In 2019, we considered the Commerce Commission’s final assessment and reached a decision to provide a discount to our published aeronautical prices for FY20, FY21 and FY22, an outcome which was well received by the regulator and BARNZ

Civil Aviation Bill

- The Ministry of Transport (“MOT”) is currently consulting on a draft Civil Aviation Bill, which will combine and replace the Airport Authorities Act 1966 and the Civil Aviation Act 1990
- Auckland Airport and New Zealand Airports Association have submitted on the proposed changes, reiterating to the MOT that the current regulatory regime is working well, as evidenced by the Commerce Commission welcoming our PSE3 pricing response to its final report earlier this year



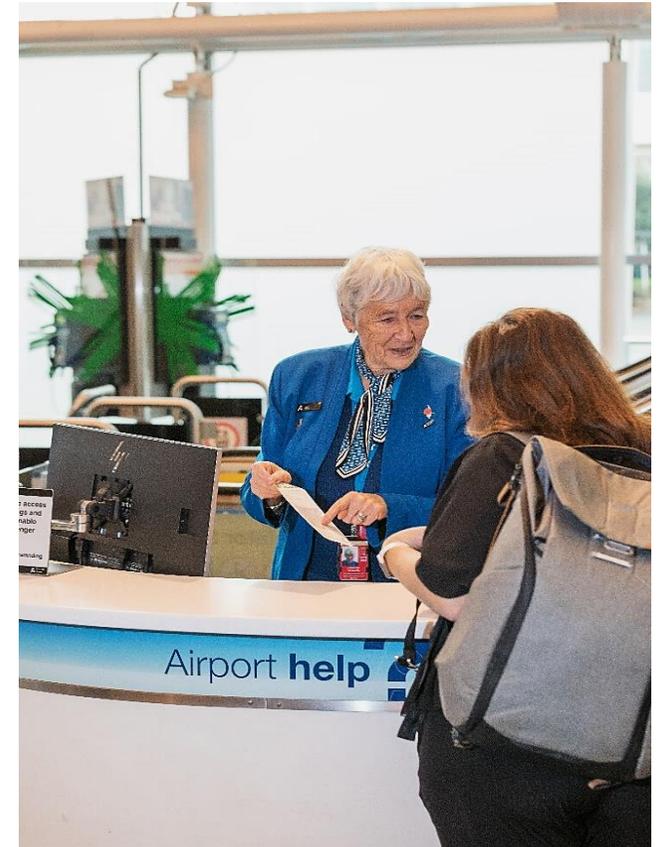
Outlook

2019

Annual Results

Guidance

- We expect underlying net profit after tax (excluding any fair value changes and other one-off items) in FY20 to be between \$265m and \$275m
 - FY20 is the first year where the discounted aeronautical prices apply to reduce our target return for PSE3 from 6.99% to 6.62% after tax
- With the advancement of a number of key infrastructure projects in FY20 into the building phase, we expect total capital expenditure in FY20 of between \$450m and \$550m
- Total commissioned capex during PSE3 is still forecast to be broadly consistent with the original pricing forecasts
- This guidance is subject to any material adverse events, significant one-off expenses, non-cash fair value changes to property and any deterioration due to global market conditions or other unforeseeable circumstances



Auckland Airport bluecoats

Questions



Appendix: Underlying profit reconciliation

2019

Annual Results

For the year ended 30 June (\$m)	2019			2018		
	Reported profit	Adjustments	Underlying profit	Reported profit	Adjustments	Underlying profit
EBITDAFI per Income Statement	554.8	-	554.8	506.4	-	506.4
Share of profit of associates	8.2	-	8.2	16.7	-	16.7
Gain on sale of an associate	-	-	-	297.4	(297.4)	-
Derivative fair value movement	(0.6)	0.6	-	(0.7)	0.7	-
Investment property fair value increases	254.0	(254.0)	-	152.2	(152.2)	-
Property plant and equipment revaluation	(3.8)	3.8	-	-	-	-
Depreciation	(102.2)	-	(102.2)	(88.9)	-	(88.9)
Interest expense and other finance costs	(78.5)	-	(78.5)	(77.2)	-	(77.2)
Taxation expense	(108.4)	0.8	(107.6)	(155.8)	61.9	(93.9)
Profit after tax	523.5	(248.8)	274.7	650.1	(387.0)	263.1

- We have made the following adjustments to show underlying profit after tax for the 12-month periods ended 30 June 2019 and 30 June 2018:
 - We have reversed out the gain arising from the sale of our investment in North Queensland Airports that occurred in the prior financial year. This sale was a one-off transaction that does not reflect normal business activities;
 - We have reversed out the impact of revaluations of investment property in 2019 and 2018. An investor should monitor changes in investment property over time as a measure of growing value. However, a change in one particular year is too short to measure long-term performance. Changes between years can be volatile and, consequently, will impact comparisons. Finally, the revaluation is unrealised and, therefore, is not considered when determining dividends in accordance with the dividend policy;
 - Consistent with the approach to revaluations of investment property, we have also reversed the revaluation of the building and services class of assets within property, plant and equipment for the 2019 financial year. The fair value changes in property, plant and equipment are less frequent than are investment property revaluations, which also makes comparisons between years difficult;
 - We have reversed out the impact of derivative fair value movements. These are unrealised and relate to basis swaps that do not qualify for hedge accounting as well as the ineffective valuation movement in other financial derivatives. The group holds its derivatives to maturity, so any fair value movements are expected to reverse out over their remaining lives. Further information is included in note 18.2 of the financial statements;
 - In addition, to be consistent, we have adjusted the revaluations of investment property and financial derivatives that are contained within the share of profit of associates in the prior year; and
 - We have also reversed the taxation impacts of the above movements in both the 2019 and 2018 financial years.

Glossary

2019

Annual Results

ACE	Airfield Capacity Enhancement
AMTN	Australian medium term notes
ARPS	Average revenue per parking space
ASQ	Airport Service Quality
ATV	Average transaction value
AVSEC	Aviation Security Service
BARNZ	Board of Airline Representatives New Zealand Inc.
DTB	Domestic Terminal Building
EBITDAFI	Earnings before interest, taxation, depreciation, fair value adjustments and investments in associates
ECI	Early contractor involvement
FIT	Free independent traveller
GBMD	George Bolt Memorial Drive
ITB	International Terminal Building
JV	Joint venture
MCTOW	Maximum certified take off weight
MOT	Ministry of Transport
MPI	Ministry for Primary Industries
NPAT	Net profit after tax
NW19	Northern winter 2019 / 2020 season
NZDCM	New Zealand Debt Capital Markets
NZIA	New Zealand Institute of Architects
PAX	Passenger
PCNZ	Property Council New Zealand
PSE3	FY18-FY22
PSR	Passenger spend rate
USPP	United States Private Placement
WALT	Weighted average lease term