WELLINGTON INTERNATIONAL AIRPORT LIMITED

Annual Report

11 May 2017

Wellington International Airport Limited (WIAL) is pleased to provide the NZX with its full-year report for the twelve month period ended 31 March 2017.

Wellington International Airport Limited

Results for announcement to the market

Reporting Period	Twelve months to 31 March 2017		
Previous Reporting Period	Twelve months to 31 March 2016		
	31 Mar 2017 ($000)	31 Mar 2016 ($000)	Percentage change (%)
Total revenue from ordinary activities	119,563	113,510	+5.3%
Profit from ordinary activities after tax attributable to security holders	16,098	12,523	+28.5%
Net profit after taxation attributable to security holders*	16,098	12,523	+28.5%
	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	WIAL does not have equity listed on the NZSX. WIAL's only listed securities are 4 issues of fixed rate bonds which are listed on the NZDX. Details relating to WIAL's fixed rate bonds can be found at www.nzx.com/companies/WIA.		

*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 full-year report, are the following documents:

- WIAL consolidated financial statements for the twelve months to 31 March 2017
- Chairman and CEO Report
- Annual Review

This announcement is extracted from the audited financial statements of WIAL. For more detailed analysis and explanation please refer to the attached statements.

All dollars are in New Zealand currency.

Further Notes

(a) For the current and previous 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 2 December 2016.

(c) The following table presents further information relevant to WIAL's performance:

	31 Mar 2017 ($000)	31 Mar 2016 ($000)	Percentage change (%)
Aircraft movement and terminal charges	70,313	65,939	+6.6%
Retail and trading activities	37,039	35,745	+3.6%
Property rent and lease income	12,211	11,826	+3.3%

(d) WIAL made a dividend payment of $12,058,763 on 28 June 2016 to the Wellington City Council.

(e) The net tangible assets per share was $12.77 as at 31 March 2017 and $12.62 as at 31 March 2016.

(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) On 14 December 2016, NZX granted WIAL a waiver from NZX Listing Rule 5.2.3 (for a period of six months from 19 December 2016) in respect of WIAL's issue of $70 million of unsecured, unsubordinated, fixed rate bonds ("WIA050 Bonds"). Listing Rule 5.2.3 provides that a class of securities will generally not be considered for quotation unless those securities are held by at least 100 members of the public, holding at least 25% of the number of securities in the class issued, with each member holding at least a minimum holding. The effect of the waiver from Listing Rule 5.2.3 is that the WIA050 Bonds may not be widely held and there may be reduced liquidity in the WIA050 Bonds.

(h) The following table presents the spread of quoted security holders as at 31 March 2017:

	Holders	%	Retail Bonds $
1 to 4,999	0	0.00%	-
5,000 to 9,999	6	0.01%	38,000
10,000 to 49,999	1,475	9.93%	27,802,000
50,000 to 99,999	264	5.30%	14,828,000
100,000 to 499,999	160	9.35%	26,178,000
500,000 to 999,999	14	3.37%	9,445,000
1,000,000 plus	34	72.04%	201,709,000
	1,953	100.00%	280,000,000

(i) WIAL's EBITDAF before subvention payment is presented to provide further information on its operating performance. The Board and management 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 have been subject to audit and are set out in Note A1 to the audited financial statements of WIAL.

	2017 $000	2016 $000
Net profit after taxation [1]	**16,098**	**12,523**
Subvention payment [2]	38,894	39,517
Net finance expense[3]	13,104	19,410
Taxation expense/(income)	960	(3)
Depreciation	21,654	16,469
Investment property revaluation net increase	(820)	(1,889)
Loss on sale of property, plant and equipment[4]	654	114
EBITDAF before subvention payment	90,544	86,141

1. The net 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 taken from the audited 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.

3. Includes the fair value movement of the interest rate swaps put in place to hedge WIAL's floating rate bonds.

4. Includes loss on sale of residential houses due to the write down and disposal of houses adjacent to the airport boundary.

5. Further explanation of the reconciling items is available in WIAL’s audited financial statements.