



**INTERIM FINANCIAL STATEMENTS FOR THE SIX  
MONTHS ENDED 30 SEPTEMBER 2012**

# WELLINGTON INTERNATIONAL AIRPORT LIMITED

## STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 30 SEPTEMBER 2012

	Notes	Consolidated		
		6 months 30 Sep 2012 \$000 Unaudited	6 months 30 Sep 2011 \$000 Unaudited	12 months 31 Mar 2012 \$000 Unaudited
Landing and terminal charges		30,029	26,681	57,006
Retail and trading activities		15,958	15,519	31,584
Property rent and lease income		5,428	5,375	10,877
<b>Total revenue</b>		<b>51,415</b>	<b>47,575</b>	<b>99,467</b>
Operating expenses	3	(8,076)	(8,007)	(15,667)
Subvention payment	13	(29,982)	(30,137)	(30,137)
Employee remuneration and benefits		(3,890)	(4,733)	(8,335)
<b>Total operating expenditure</b>		<b>(41,948)</b>	<b>(42,877)</b>	<b>(54,139)</b>
<b>Earnings before interest, taxation, depreciation, amortisation and fair value adjustments (EBITDAF)</b>		<b>9,467</b>	<b>4,698</b>	<b>45,328</b>
Investment property revaluation net increase		1,241	-	922
Depreciation	7	(8,027)	(8,702)	(17,553)
Loss on sale of property, plant and equipment		(100)	-	(3)
Write down to recoverable value of residential houses held for sale	8	(3,298)	-	-
<b>Operating earnings before interest and financing expense</b>		<b>(717)</b>	<b>(4,004)</b>	<b>28,694</b>
Interest income		47	270	336
Interest expense		(9,917)	(9,586)	(19,439)
Amortisation of fair value of ineffective hedges transferred from equity	10	(626)	(2,736)	(4,380)
Decrease in value of financial instruments designated at fair value through profit or loss	10	(3,264)	(5,809)	(5,198)
<b>Net financing expense</b>		<b>(13,760)</b>	<b>(17,861)</b>	<b>(28,681)</b>
<b>Net (loss)/surplus from continuing operations before taxation</b>		<b>(14,477)</b>	<b>(21,865)</b>	<b>13</b>
Taxation income	6	8,906	10,083	3,836
<b>Net (loss)/surplus from continuing operations after taxation</b>		<b>(5,571)</b>	<b>(11,782)</b>	<b>3,849</b>
Net surplus from discontinued operations after taxation		-	5,132	5,132
<b>Net (loss)/surplus for the period</b>		<b>(5,571)</b>	<b>(6,650)</b>	<b>8,981</b>
<b>Other comprehensive income</b>				
Revaluation of land		-	-	74,270
Revaluation of property, plant and equipment		-	-	9,338
Amortisation of fair value of ineffective hedges transferred to profit or loss		626	2,736	4,380
Income tax relating to components of other comprehensive income	6	(175)	(766)	(3,840)
<b>Other comprehensive income, net of tax</b>		<b>451</b>	<b>1,970</b>	<b>84,148</b>
<b>Total comprehensive income</b>		<b>(5,120)</b>	<b>(4,680)</b>	<b>93,129</b>

The accompanying accounting policies and notes form part of and are to be read in conjunction with these financial statements.

**WELLINGTON INTERNATIONAL AIRPORT LIMITED**

**STATEMENT OF CHANGES IN EQUITY**

FOR THE PERIOD ENDED 30 SEPTEMBER 2012

6 months	Attributable to Equity Holders of the Group				
	Capital \$000	Revaluation Reserve \$000	Hedge Reserve \$000	Retained Earnings \$000	Total Equity \$000
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
Balance as at 1 April 2012	9,105	322,471	(451)	77,124	408,249
<b>Total comprehensive income</b>					
Net surplus	-	-	-	(5,571)	(5,571)
<b>Other comprehensive income</b>					
Revaluation of land	-	-	-	-	-
Revaluation of property, plant and equipment, net of deferred taxation	-	-	-	-	-
Amortisation of fair value of ineffective hedges transferred to profit or loss, net of deferred taxation	-	-	451	-	451
<b>Total other comprehensive income</b>	-	-	<b>451</b>	-	<b>451</b>
<b>Total comprehensive income</b>	-	-	<b>451</b>	<b>(5,571)</b>	<b>(5,120)</b>
Transfer of revaluation reserve for residential properties disposed of	-	(54)	-	54	-
<b>Contributions by and distributions to owners</b>					
Executive share scheme	-	-	-	-	-
Dividends to equity holders	-	-	-	(8,826)	(8,826)
<b>Total contributions by and distributions to owners</b>	-	<b>(54)</b>	-	<b>(8,772)</b>	<b>(8,826)</b>
<b>Balance at 30 September 2012</b>	<b>9,105</b>	<b>322,417</b>	<b>(0)</b>	<b>62,781</b>	<b>394,303</b>

6 months	Attributable to Equity Holders of the Group				
	Capital \$000	Revaluation Reserve \$000	Hedge Reserve \$000	Retained Earnings \$000	Total Equity \$000
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
Balance as at 1 April 2011	9,083	241,477	(3,605)	117,204	364,159
<b>Total comprehensive income</b>					
Net loss	-	-	-	(6,650)	(6,650)
<b>Other comprehensive income</b>					
Revaluation of land	-	-	-	-	-
Revaluation of property, plant and equipment, net of deferred taxation	-	-	-	-	-
Amortisation of fair value of ineffective hedges transferred to profit or loss, net of deferred taxation	-	-	1,970	-	1,970
<b>Total other comprehensive income</b>	-	-	<b>1,970</b>	-	<b>1,970</b>
<b>Total comprehensive income</b>	-	-	<b>1,970</b>	<b>(6,650)</b>	<b>(4,680)</b>
<b>Contributions by and distributions to owners</b>					
Executive share scheme	-	-	-	-	-
Dividends to equity holders	-	-	-	(49,061)	(49,061)
<b>Total contributions by and distributions to owners</b>	-	-	-	<b>(49,061)</b>	<b>(49,061)</b>
<b>Balance at 30 September 2011</b>	<b>9,083</b>	<b>241,477</b>	<b>(1,635)</b>	<b>61,493</b>	<b>310,418</b>

**WELLINGTON INTERNATIONAL AIRPORT LIMITED**  
**STATEMENT OF CHANGES IN EQUITY (CONTINUED)**

FOR THE PERIOD ENDED 30 SEPTEMBER 2012

12 months	Attributable to Equity Holders of the Group				Total Equity \$000 Unaudited
	Capital \$000 Unaudited	Revaluation Reserve \$000 Unaudited	Hedge Reserve \$000 Unaudited	Retained Earnings \$000 Unaudited	
Balance as at 1 April 2011	9,083	241,477	(3,605)	117,204	364,159
<b>Total comprehensive income</b>					
Net surplus	-	-	-	8,981	8,981
<b>Other comprehensive income</b>					
Revaluation of land	-	74,270	-	-	74,270
Revaluation of property, plant and equipment, net of deferred taxation	-	6,724	-	-	6,724
Amortisation of fair value of ineffective hedges transferred to profit or loss, net of deferred taxation	-	-	3,154	-	3,154
<b>Total other comprehensive income</b>	-	<b>80,994</b>	<b>3,154</b>	-	<b>84,148</b>
<b>Total comprehensive income</b>	-	<b>80,994</b>	<b>3,154</b>	<b>8,981</b>	<b>93,129</b>
<b>Contributions by and distributions to owners</b>					
Executive share scheme	22	-	-	-	22
Dividends to equity holders	-	-	-	(49,061)	(49,061)
<b>Total contributions by and distributions to owners</b>	<b>22</b>	<b>-</b>	<b>-</b>	<b>(49,061)</b>	<b>(49,039)</b>
<b>Balance at 31 March 2012</b>	<b>9,105</b>	<b>322,471</b>	<b>(451)</b>	<b>77,124</b>	<b>408,249</b>

The accompanying accounting policies and notes form part of and are to be read in conjunction with these financial statements.

**WELLINGTON INTERNATIONAL AIRPORT LIMITED**  
**STATEMENT OF FINANCIAL POSITION**

AS AT 30 SEPTEMBER 2012

	Notes	<b>Consolidated</b>		
		<b>6 months 30 Sep 2012 \$000 Unaudited</b>	6 months 30 Sep 2011 \$000 Unaudited	12 months 31 Mar 2012 \$000 Unaudited
Cash and cash equivalents		8,216	3,855	2,731
Trade receivables		9,858	8,343	9,121
Prepayments and sundry receivables		2,695	1,882	1,328
Assets held for sale	8	28	-	-
<b>Current assets</b>		<b>20,797</b>	<b>14,080</b>	<b>13,180</b>
Property, plant and equipment	7	724,905	649,337	731,648
Investment properties	7	51,100	49,300	49,855
<b>Non current assets</b>		<b>776,005</b>	<b>698,637</b>	<b>781,503</b>
<b>Total assets</b>		<b>796,802</b>	<b>712,717</b>	<b>794,683</b>
Bank debt	4	20,000	-	-
Accounts payable		1,258	2,532	1,952
Taxation payable		7,152	5,838	12,999
Accruals and other liabilities		9,390	11,044	9,426
Accrued employee benefits		1,223	893	1,214
<b>Current liabilities</b>		<b>39,023</b>	<b>20,307</b>	<b>25,591</b>
Bank debt	4	8,809	29,734	6,776
Long term bonds	5	248,952	248,472	248,732
Deferred taxation liability	6	83,027	83,750	85,910
Derivative financial instruments		22,688	20,036	19,425
<b>Non current liabilities</b>		<b>363,476</b>	<b>381,992</b>	<b>360,843</b>
Attributable to shareholders of the Company		394,303	310,418	408,249
<b>Total equity</b>		<b>394,303</b>	<b>310,418</b>	<b>408,249</b>
<b>Total equity and liabilities</b>		<b>796,802</b>	<b>712,717</b>	<b>794,683</b>

The accompanying accounting policies and notes form part of and are to be read in conjunction with these financial statements.

**WELLINGTON INTERNATIONAL AIRPORT LIMITED**

**STATEMENT OF CASH FLOWS**

FOR THE PERIOD ENDED 30 SEPTEMBER 2012

	Notes	<b>6 months 30 Sep 2012 \$000 Unaudited</b>	<b>Consolidated 6 months 30 Sep 2011 \$000 Unaudited</b>	12 months 31 Mar 2012 \$000 Unaudited
<b>Cash flows from operating activities</b>				
<i>Cash was provided from:</i>				
Receipts from customers		50,467	57,368	108,368
Interest received		46	270	336
		<b>50,513</b>	<b>57,638</b>	<b>108,704</b>
<i>Cash was disbursed to:</i>				
Payments to suppliers and employees		(13,382)	(22,457)	(34,227)
Subvention payment	13	(29,982)	(30,137)	(30,137)
Interest paid		(9,880)	(9,755)	(19,731)
		<b>(53,244)</b>	<b>(62,349)</b>	<b>(84,095)</b>
<b>Net cash flows from operating activities</b>	<b>11</b>	<b>(2,731)</b>	<b>(4,711)</b>	<b>24,609</b>
<b>Cash flows from investing activities</b>				
<i>Cash was provided from:</i>				
Proceeds from sale of property, plant and equipment		2	-	-
Proceeds from sale of subsidiary		-	10,096	10,096
		<b>2</b>	<b>10,096</b>	<b>10,096</b>
<i>Cash was disbursed to:</i>				
Cash disposed on sale of iSite Limited		-	(1,935)	(1,935)
Purchase of property, plant and equipment		(4,960)	(14,808)	(22,252)
		<b>(4,960)</b>	<b>(16,743)</b>	<b>(24,187)</b>
<b>Net cash flows from investing activities</b>		<b>(4,958)</b>	<b>(6,647)</b>	<b>(14,091)</b>
<b>Cash flows from financing activities</b>				
<i>Cash was provided from:</i>				
Drawdown of loans and borrowings	4	22,000	30,000	7,000
		<b>22,000</b>	<b>30,000</b>	<b>7,000</b>
<i>Cash was disbursed to:</i>				
Dividends paid	13	(8,826)	(49,061)	(49,061)
		<b>(8,826)</b>	<b>(49,061)</b>	<b>(49,061)</b>
<b>Net cash flows from financing activities</b>		<b>13,174</b>	<b>(19,061)</b>	<b>(42,061)</b>
Net movement in cash and cash equivalents		5,485	(30,419)	(31,543)
Cash and cash equivalents balance at the beginning of the year		2,731	34,274	34,274
<b>Cash and cash equivalents balance at the end of the year</b>		<b>8,216</b>	<b>3,855</b>	<b>2,731</b>

The accompanying accounting policies and notes form part of and are to be read in conjunction with these financial statements.

**WELLINGTON INTERNATIONAL AIRPORT LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 SEPTEMBER 2012**

**(1) Accounting policies**

**(a) Reporting entity**

Wellington International Airport Limited ("WIAL" and the "Company") is a profit orientated company domiciled in New Zealand and registered under the Companies Act 1993. It was established under the Wellington Airport Act 1990 and was incorporated in September 1990. The commencing assets of WIAL were vested in the Company on 16 October 1990 by an Order in Council. The Company commenced trading on 16 October 1990. Its registered office is located at Wellington Airport Terminal, Stewart Duff Drive, Wellington, New Zealand. The Company has bonds listed on the NZDX and is an issuer in the terms of the Financial Reporting Act 1993 and Securities Act 1978.

The unaudited consolidated financial statements are presented. The unaudited consolidated financial statements comprise the Company and Wellington Airport Noise Treatment Limited ("WANT Limited"), its subsidiary, (the "Group"). The financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand ("NZ GAAP"). They comply with New Zealand equivalents to International Financial Reporting Standards ("NZIFRS") and other applicable financial reporting standards as appropriate for profit-oriented entities. The Group financial statements have been prepared in accordance with New Zealand equivalent to International Accounting Standard 34 Interim Financial Reporting (NZ IAS 34). The Group financial statements also comply with International Accounting Standard 34 Interim Financial Reporting (IAS 34).

The unaudited Group financial statements for the six months to 30 September 2012 have been prepared in accordance with the accounting policies stated in the Company's published Annual Report for the year ended 31 March 2012 and should be read in conjunction with the Annual Report. No changes have been made from the accounting policies used in the Annual Report, which can be obtained from WIAL's registered office or from its website [www.wellingtonairport.co.nz](http://www.wellingtonairport.co.nz).

For the twelve month period to 31 March 2012, the comparative Group numbers are reported as unaudited. Whilst the financial statements of the Company were audited the Group financial statements were not required to be produced since no reporting group existed.

These financial statements are presented in New Zealand Dollars which is the Group's functional currency. Where indicated values are rounded to the nearest thousand dollars (\$000).

**(2) Nature of business**

The Company operates in Wellington providing integrated airport and commercial facilities and services to various airlines and other airport users. A commercial retail park adjacent to the airport site is available to the public. Revenues include landing and terminal charges, property leases, retail and trading income. The Company is a limited liability company incorporated and domiciled in New Zealand.

The Company's wholly owned subsidiary, WANT Limited, provides noise mitigation activities to manage the impact of noise generated from the airport on the surrounding community in the long term. These noise mitigation activities are funded by noise levies charged to airlines operating at the airport.

**(3) Operating expenses**

	<b>Consolidated</b>		
	<b>6 months</b>	6 months	12 months
	<b>30 Sep 2012</b>	30 Sep 2011	31 Mar 2012
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
	<b>Unaudited</b>	<b>Unaudited</b>	Unaudited
Fees paid to auditors:			
Audit fees	44	42	82
Taxation	28	20	48
Other assurance services	30	10	44
Donations	4	69	69
Directors' fees	140	126	257
Regulatory compliance and statutory consultation	526	755	651
Marketing and development	656	651	1,464
Cleaning and energy	998	765	1,652
Rates	850	822	1,878
Insurance	1,132	935	1,980
Repairs and maintenance	968	1,168	2,352
Operating lease expenses	414	407	822
Administration and other expenses	2,286	2,237	4,368
<b>Total operating expenses</b>	<b>8,076</b>	<b>8,007</b>	<b>15,667</b>

Other assurance services comprise fees paid in relation to regulatory disclosures required by the Commerce Commission. For the period to 30 September 2012, these disclosures include the Company's Annual Information Disclosures for the year ended 31 March 2012, and the Price Setting Event Disclosures for the period 1 April 2012 to 31 March 2017.

**WELLINGTON INTERNATIONAL AIRPORT LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**

FOR THE PERIOD ENDED 30 SEPTEMBER 2012

**(4) Bank interest-bearing loans and borrowings**

This note provides information about the contractual terms of the bank interest-bearing loans and borrowings. For more information about the Group's exposure to interest rate and foreign currency risk, refer to the 2012 Annual Report.

	<b>6 months 30 Sep 2012</b>	<b>Consolidated</b>	
		6 months 30 Sep 2011	12 months 31 Mar 2012
	<b>\$000</b>	\$000	\$000
	<b>Unaudited</b>	Unaudited	Unaudited
<b>Current liabilities</b>			
Commercial paper	20,000	-	-
<b>Total current liabilities</b>	<b>20,000</b>	<b>-</b>	<b>-</b>
<b>Non-current liabilities</b>			
Bank credit facility	9,000	30,000	7,000
Less facility fees to be expensed	(191)	(266)	(224)
<b>Total bank credit facility</b>	<b>8,809</b>	<b>29,734</b>	<b>6,776</b>
<b>Facilities utilised at reporting date</b>			
Unsecured standby facility	9,000	30,000	7,000
<b>Facilities not utilised at reporting date</b>			
Unsecured standby facility	81,000	60,000	83,000

**Financing arrangements**

The Group's debt includes bank facilities with negative pledge arrangements, which with limited exceptions do not permit the borrower to grant any security over its assets. The bank facilities require the borrower to maintain certain levels of shareholder funds and operate within defined performance and gearing ratios. The banking arrangements also include restrictions over the sale or disposal of certain assets. The Group has complied with its debt covenant requirements during the period.

**Financing arrangements**

**Commercial paper**

During the period, the Group issued commercial paper for \$20.0 million (30 September 2011 and 31 March 2012: \$nil). Interest rates were determined by reference to prevailing money market rates. The interest rate paid during the period was 2.92% (30 September 2011 and 31 March 2012: nil).

**Standby facilities**

At 30 September 2012, the Group had unsecured standby facility of \$90.0 million (30 September 2011 and 31 March 2012: \$90.0 million) of which \$60.0 million expires in June 2014 and \$30.0 million expires in June 2016. Interest rates were determined by reference to prevailing money market rates plus a margin. Interest rates paid during the period ranged from 4.09% to 4.19% (30 September 2011: 4.15% to 4.28%, 31 March 2012: 4.11% to 4.28%).

**WELLINGTON INTERNATIONAL AIRPORT LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**

FOR THE PERIOD ENDED 30 SEPTEMBER 2012

**(5) Bonds**

	<b>6 months 30 Sep 2012</b>	<b>Consolidated</b>	
		6 months 30 Sep 2011	12 months 31 Mar 2012
	<b>\$000</b>	\$000	\$000
	<b>Unaudited</b>	Unaudited	Unaudited
Retail bonds maturing in November 2013, fixed 7.50% p.a.	100,000	100,000	100,000
Less transaction costs from issue still to be expensed	(382)	(698)	(532)
<b>Total retail bonds</b>	<b>99,618</b>	<b>99,302</b>	<b>99,468</b>
Wholesale bonds maturing August 2017, 2.89% per annum to 1 November 2012, then repriced quarterly at BKBM plus 25bp	150,000	150,000	150,000
Less transaction costs from issue still to be expensed	(666)	(830)	(736)
<b>Total wholesale bonds</b>	<b>149,334</b>	<b>149,170</b>	<b>149,264</b>
<b>Balance at the end of the period</b>	<b>248,952</b>	<b>248,472</b>	<b>248,732</b>

At 30 September 2012, the bonds had a fair value of \$256.1 million (30 September 2011: \$256.7 million, 31 March 2012: \$256.1 million).

The Trust Deeds for the bonds require the Group to operate within defined performance and debt gearing ratios. The arrangements under the Trust Deeds create restrictions over the sale or disposal of certain assets. The Group complied with its debt covenant requirements during the period.

**(6) Taxation**

	<b>6 months 30 Sep 2012</b>	<b>Consolidated</b>	
		6 months 30 Sep 2011	12 months 31 Mar 2012
	<b>\$000</b>	\$000	\$000
	<b>Unaudited</b>	Unaudited	Unaudited
Net (loss)/surplus from continuing operations before taxation	(14,477)	(21,865)	13
Taxation for the year at 28%	(4,054)	(6,122)	4
Subvention payment made in respect to prior period	8,395	8,438	8,438
Taxation effect on non deductible expenses	40	4	39
Prior period adjustment	-	-	86
Loss offset	(4,454)	(3,505)	(3,505)
Over provision in prior years	(8,833)	(8,898)	(8,898)
<b>Taxation income from continuing operations</b>	<b>(8,906)</b>	<b>(10,083)</b>	<b>(3,836)</b>
Current taxation	(5,848)	(6,570)	591
Deferred taxation	(3,058)	(3,513)	(4,427)
<b>Taxation income from continuing operations</b>	<b>(8,906)</b>	<b>(10,083)</b>	<b>(3,836)</b>
Taxation from discontinued operations	-	579	579

**WELLINGTON INTERNATIONAL AIRPORT LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**

FOR THE PERIOD ENDED 30 SEPTEMBER 2012

(7) Property, plant and equipment

Consolidated	Land	Civil	Buildings	Vehicles, Plant and Equipment	Capital work in progress	Total
	\$000	\$000	\$000	\$000	\$000	\$000
<b>30 September 2012 unaudited</b>						
<b>Cost or valuation</b>						
Balance at 1 April 2012	289,231	146,971	291,087	33,671	2,719	763,679
Additions	-	-	-	-	4,700	4,700
Transfer from capital work in progress	-	870	1,226	548	(2,644)	-
Transfer to investment properties	-	-	-	-	(4)	(4)
Disposals	-	(137)	(3,402)	(83)	-	(3,622)
Movements in asset revaluation	-	-	-	-	-	-
<b>Balance at 30 September 2012</b>	<b>289,231</b>	<b>147,704</b>	<b>288,911</b>	<b>34,136</b>	<b>4,771</b>	<b>764,753</b>
<b>Accumulated depreciation and impairment losses</b>						
Balance at 1 April 2012	-	6,465	7,672	17,894	-	32,031
Depreciation for the year	-	2,871	3,843	1,313	-	8,027
Disposals	-	(63)	(77)	(70)	-	(210)
<b>Balance at 30 September 2012</b>	<b>-</b>	<b>9,273</b>	<b>11,438</b>	<b>19,137</b>	<b>-</b>	<b>39,848</b>
<b>Net book value at 30 September 2012</b>	<b>289,231</b>	<b>138,431</b>	<b>277,473</b>	<b>14,999</b>	<b>4,771</b>	<b>724,905</b>

Consolidated	Land	Civil	Buildings	Vehicles, Plant and Equipment	Capital work in progress	Total
	\$000	\$000	\$000	\$000	\$000	\$000
<b>30 September 2011 unaudited</b>						
<b>Cost or valuation</b>						
Balance at 1 April 2011	214,811	142,730	268,690	31,434	2,962	660,627
Additions	-	-	-	344	14,576	14,920
Transfer from/(to) investment properties	(150)	-	(229)	-	379	-
Transfer from capital work in progress	150	960	387	906	(2,403)	-
Disposal of assets of subsidiary	-	-	-	(2,996)	-	(2,996)
<b>Balance at 30 September 2011</b>	<b>214,811</b>	<b>143,690</b>	<b>268,848</b>	<b>29,688</b>	<b>15,514</b>	<b>672,551</b>
<b>Accumulated depreciation and impairment losses</b>						
Balance at 1 April 2011	-	-	-	16,652	-	16,652
Depreciation for the year	-	3,224	3,787	1,691	-	8,702
Disposal of assets of subsidiary	-	-	-	(2,140)	-	(2,140)
<b>Balance at 30 September 2011</b>	<b>-</b>	<b>3,224</b>	<b>3,787</b>	<b>16,203</b>	<b>-</b>	<b>23,214</b>
<b>Net book value at 30 September 2011</b>	<b>214,811</b>	<b>140,466</b>	<b>265,061</b>	<b>13,485</b>	<b>15,514</b>	<b>649,337</b>

Consolidated	Land	Civil	Buildings	Vehicles, Plant and Equipment	Capital work in progress	Total
	\$000	\$000	\$000	\$000	\$000	\$000
<b>31 March 2012 unaudited</b>						
<b>Cost or valuation</b>						
Balance at 1 April 2011	214,811	142,730	268,690	31,434	2,962	660,627
Additions	-	-	89	604	21,798	22,491
Transfer from capital work in progress	150	4,241	12,983	4,667	(22,041)	-
Transfer to investment properties	-	-	(13)	-	-	(13)
Disposals	-	-	-	(38)	-	(38)
Movements in asset revaluation	74,270	-	9,338	-	-	83,608
Disposal of assets of subsidiary	-	-	-	(2,996)	-	(2,996)
<b>Balance at 31 March 2012</b>	<b>289,231</b>	<b>146,971</b>	<b>291,087</b>	<b>33,671</b>	<b>2,719</b>	<b>763,679</b>
<b>Accumulated depreciation and impairment losses</b>						
Balance at 1 April 2011	-	-	-	16,652	-	16,652
Depreciation for the year	-	6,465	7,672	3,416	-	17,553
Disposals	-	-	-	(34)	-	(34)
Disposal of assets of subsidiary	-	-	-	(2,140)	-	(2,140)
<b>Balance at 31 March 2012</b>	<b>-</b>	<b>6,465</b>	<b>7,672</b>	<b>17,894</b>	<b>-</b>	<b>32,031</b>
<b>Net book value at 31 March 2012</b>	<b>289,231</b>	<b>140,506</b>	<b>283,415</b>	<b>15,777</b>	<b>2,719</b>	<b>731,648</b>

**WELLINGTON INTERNATIONAL AIRPORT LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**

FOR THE PERIOD ENDED 30 SEPTEMBER 2012

(7) Property, plant and equipment (continued)

Consolidated	Land	Civil	Buildings	Vehicles, Plant and Equipment	Capital work in progress	Total
	\$000	\$000	\$000	\$000	\$000	\$000
<b>30 September 2012 unaudited</b>						
<b>Revalued assets at deemed cost</b>						
Cost	85,165	83,639	156,384	10,456	2,719	338,363
Additions	-	-	-	-	4,700	4,700
Increase/(decrease) in assets under construction during the year	-	870	1,229	549	(2,648)	-
Disposals	-	(1,575)	-	-	-	(1,575)
Less accumulated depreciation	-	(1,357)	(2,943)	(1,319)	-	(5,619)
<b>Net book value 30 September 2012</b>	<b>85,165</b>	<b>81,577</b>	<b>154,670</b>	<b>9,686</b>	<b>4,771</b>	<b>335,869</b>
<b>30 September 2011 unaudited</b>						
<b>Revalued assets at deemed cost</b>						
Cost	85,584	118,070	220,960	28,388	2,962	455,964
Additions	(150)	-	(229)	-	379	-
Increase/(decrease) in assets under construction during the year	150	960	387	1,250	12,173	14,920
Less accumulated depreciation	-	(27,609)	(45,156)	(16,409)	-	(89,174)
<b>Net book value 30 September 2011</b>	<b>85,584</b>	<b>91,421</b>	<b>175,962</b>	<b>13,229</b>	<b>15,514</b>	<b>381,710</b>
<b>31 March 2012 unaudited</b>						
<b>Revalued assets at deemed cost</b>						
Cost	85,015	108,331	191,516	23,873	2,962	411,697
Additions	-	-	-	-	21,798	21,798
Increase/(decrease) in assets under construction during the year	150	4,241	12,983	4,667	(22,041)	-
Disposals	-	-	-	(38)	-	(38)
Less accumulated depreciation	-	(28,933)	(48,115)	(18,046)	-	(95,094)
<b>Net book value 31 March 2012</b>	<b>85,165</b>	<b>83,639</b>	<b>156,384</b>	<b>10,456</b>	<b>2,719</b>	<b>338,363</b>

**Revaluation**

Land, buildings and civil assets were last revalued by independent registered valuers as at 31 March 2011 in accordance with the New Zealand Institute of Valuers asset valuation standards. Details of the valuations are set out in the 2012 Annual Report.

**Capital work in progress**

For the period ended 30 September 2012, capitalised borrowing costs relating to capital work in progress amounted to \$0.1 million (30 September 2011: \$0.1 million, 31 March 2012: \$0.2 million), with an average capitalisation rate of 6.8% (30 September 2011: 6.7%, 31 March 2012: 6.9%).

**(8) Assets held for sale**

In May 2012, the Company announced plans to ensure that the impact of aircraft noise at the airport continues to be managed effectively in the future. As a consequence residential houses owned by the Company which adjoin the airport boundary have been identified for removal. These houses are being progressively removed and consequently have been classified as held for sale and have been written down to their recoverable amount.

	Consolidated		
	6 months 30 Sep 2012 \$000 Unaudited	6 months 30 Sep 2011 \$000 Unaudited	12 months 31 Mar 2012 \$000 Unaudited
<b>Assets held for sale</b>			
Assets transferred at fair value from property, plant and equipment	3,329	-	-
Less write down to recoverable amount	(3,298)	-	-
Less houses removed	(3)	-	-
<b>Total assets held for sale</b>	<b>28</b>	<b>-</b>	<b>-</b>

**WELLINGTON INTERNATIONAL AIRPORT LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE PERIOD ENDED 30 SEPTEMBER 2012**

**(9) Investment in subsidiary**

The Company holds shares in the following operating companies:

Subsidiary	Balance Date	30 Sep 2012 Holding	30 Sep 2011 Holding	31 Mar 2012 Holding	Principle activity	Country of incorporation
WANT Limited	31 March	100%	100%	100%	Noise mitigation	New Zealand
iSite Limited	31 March	0%	100%	0%	Advertising	New Zealand

WANT Limited commenced trading on 1 April 2012.

iSite Limited was sold during the year on 29 July 2011. The sale price was \$10.096 million and there was gain on the sale of \$6.553 million in the Group's financial statements.

**(10) Hedging and financial instruments**

**(i) Amortisation of fair value of ineffective hedges transferred from equity**

Hedge accounting ceased on 4 March 2009 and as at the date of change, a cash flow hedge reserve of \$18.8 million was held. The cash flow hedge reserve is amortised to profit and loss in the statement of comprehensive income from the date of change over the original terms of the contracts maturing in August 2011, February 2012 and August 2012. The cash flow hedge reserve was fully amortised in the period ended 30 September 2012.

**(ii) Change in value of financial instruments designated as fair value through profit or loss**

As at 30 September 2012, the Group held interest rate contracts with maturities up to August 2017. Interest rate contracts are marked to market and this has resulted in an unrealised loss of \$3.2 million in the period ended 30 September 2012 (30 September 2011: unrealised loss of \$5.8 million, 31 March 2012: unrealised loss of \$5.2 million).

**(11) Reconciliation of net surplus with cash flow from operating activities**

	Consolidated		
	6 months 30 Sep 2012 \$000 Unaudited	6 months 30 Sep 2011 \$000 Unaudited	12 months 31 Mar 2012 \$000 Unaudited
<b>Net (loss)/surplus</b>	(5,571)	(6,650)	8,981
<b>Add items not involving cash flows</b>			
Investment property net revaluation increase	(1,241)	-	(922)
Change in value of financial instruments designated as fair value through profit	3,264	5,809	5,198
Amortisation of fair value of ineffective hedges transferred from equity	626	2,736	4,380
Depreciation	8,027	8,790	17,643
Write down to recoverable value of residential houses held for sale	3,298	-	-
Loss on disposal of property, plant and equipment	100	-	3
Gain on sale of investment	-	(6,553)	(6,553)
Amortisation of intangibles	-	1,469	1,469
Movement in deferred tax	(3,058)	(3,516)	(4,427)
Interest capitalised	(16)	(130)	(200)
<b>Movements in working capital</b>			
(Increase)/decrease in trade and accounts receivables	(737)	614	(164)
Increase in prepayments and sundry receivables	(1,112)	(939)	(83)
(Decrease)/increase in accounts payable	(694)	1,132	552
Increase/(decrease) in accruals and other liabilities	230	(906)	(1,859)
(Decrease)/increase in taxation payable	(5,847)	(6,567)	591
<b>Net cash inflow from operating activities</b>	<b>(2,731)</b>	<b>(4,711)</b>	<b>24,609</b>

**WELLINGTON INTERNATIONAL AIRPORT LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE PERIOD ENDED 30 SEPTEMBER 2012**

**(12) Segment reporting**

Analysis of the revenue breakdown for the Group is provided to the chief operating decision-maker, identified as the Chief Executive Officer. This analysis does not provide individual operating results or statements of financial performance or position for these revenue classifications. The Company has, therefore, determined that one reportable segment exists for the airport being airport related operations which includes landing and terminal charges, property leases, retail, trading revenues and noise mitigation activities.

In prior years, the Company also operated an advertising segment, which comprised its then 100% owned subsidiary iSite Limited. Effective 29 July 2011 iSite Limited was sold to Infratil Outdoor Media Limited.

The Company operates entirely in one geographical segment, New Zealand.

<b>Business segments</b>	<b>Airport \$000 Unaudited</b>	<b>Advertising discontinued \$000 Unaudited</b>	<b>Consolidation adjustment \$000 Unaudited</b>	<b>Consolidated \$000 Unaudited</b>
<b>At 30 September 2012 unaudited</b>				
Segment revenue - total	51,415	-	-	51,415
Inter-segment revenue	-	-	-	-
<b>Segment revenue</b>	<b>51,415</b>	<b>-</b>	<b>-</b>	<b>51,415</b>
Subvention payment	(29,982)	-	-	(29,982)
Depreciation, amortisation and loss on sale of fixed assets	(8,127)	-	-	(8,127)
Write down to disposal value of residential buildings held for sale	(3,298)	-	-	(3,298)
Interest revenue	47	-	-	47
Interest expense	(9,917)	-	-	(9,917)
Financial derivative fair value movements	(3,264)	-	-	(3,264)
Net loss before taxation	(14,477)	-	-	(14,477)
Taxation income	8,906	-	-	8,906
Net deficit	(5,571)	-	-	(5,571)
Segment assets	796,802	-	-	796,802
Segment liabilities	(402,499)	-	-	(402,499)
Non-current assets	776,005	-	-	776,005
Proceeds from sale of subsidiary	-	-	-	-
Additions to non-current assets	(4,960)	-	-	(4,960)
<b>At 30 September 2011 unaudited</b>				
Segment revenue - total	45,575	10,286	(616)	55,245
Inter-segment revenue	-	(616)	616	-
<b>Segment revenue</b>	<b>45,575</b>	<b>9,670</b>	<b>-</b>	<b>55,245</b>
Subvention payment	(30,137)	-	-	(30,137)
Depreciation, amortisation and loss on sale of fixed assets	(8,702)	(1,560)	-	(10,262)
Write down to disposal value of residential buildings held for sale	-	-	-	-
Interest revenue	270	-	-	270
Interest expense	(9,586)	(131)	-	(9,717)
Financial derivative fair value movements	(5,809)	-	-	(5,809)
Net loss before taxation	(21,865)	5,711	-	(16,154)
Taxation expense	10,083	(579)	-	9,504
Net surplus/(deficit)	(11,782)	5,132	-	(6,650)
Segment assets	-	-	-	-
Segment liabilities	712,717	-	-	712,717
Non-current assets	(402,565)	-	-	(402,565)
Proceeds from sale of subsidiary	-	10,096	-	10,096
Additions to non-current assets	(14,808)	-	-	(14,808)
<b>At 31 March 2012 unaudited</b>				
Segment revenue - total	99,467	10,286	(616)	109,137
Inter-segment revenue	-	(616)	616	-
<b>Segment revenue</b>	<b>99,467</b>	<b>9,670</b>	<b>-</b>	<b>109,137</b>
Subvention payment	(30,137)	-	-	(30,137)
Depreciation, amortisation and loss on sale of fixed assets	(17,553)	(1,560)	-	(19,113)
Write down to disposal value of residential buildings held for sale	-	-	-	-
Interest revenue	336	-	-	336
Interest expense	(19,439)	(131)	-	(19,570)
Financial derivative fair value movements	(5,198)	-	-	(5,198)
Net surplus before taxation	13	5,711	-	5,724
Taxation expense	3,836	(579)	-	3,257
Net surplus	3,849	5,132	-	8,981
Segment assets	794,683	-	-	794,683
Segment liabilities	(386,434)	-	-	(386,434)
Non-current assets	781,503	-	-	781,503
Proceeds from sale of subsidiary	-	10,096	-	10,096
Additions to non-current assets	(22,252)	-	-	(22,252)

**WELLINGTON INTERNATIONAL AIRPORT LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE PERIOD ENDED 30 SEPTEMBER 2012**

**(13) Related parties**

**Other related parties**

WIAL is 66% owned by NZ Airports Limited, which is wholly owned by Infratil Limited. Wellington City Council owns the remaining 34% of the Company.

The Group made a subvention payment on 17 June 2012 to subsidiaries of Infratil Limited of \$29,981,747 (30 September 2011 and 31 March 2012: \$30,137,014).

The Group transacts with the Wellington City Council in the normal course of business on an arm's length basis. The Group made a dividend payment on 17 June 2012 to the Wellington City Council of \$8,825,955 (30 September 2011 and 31 March 2012: \$9,060,859) i.e. \$0.65 per share (30 September 2011 and 31 March 2012: \$0.66 per share).

The Group made special dividend payments to NZ Airports Limited as follows: for the period ended 30 September 2012: \$nil, 30 September 2011 and 31 March 2012: \$26,400,000. The Group made special dividend payments to the Wellington City Council as follows: for the period ended 30 September 2012: \$nil, 30 September 2011 and 31 March 2012: \$13,600,000.

The Group made payments for the services of the Company's Chief Executive Officer to NZ Airports Limited, a 100% subsidiary of Infratil Limited as follows: 30 September 2012: \$nil, 30 September 2011: \$412,066, 31 March 2012: \$412,066.

Directors fees were paid during the period to HRL Morrison & Co, the company responsible of the day to day management of Infratil Limited, of \$53,030 for the services of T Brown, P Coman and S Fitzgerald as Directors and K Baker, T Brown and S Fitzgerald as Audit and Risk Committee Members (30 September 2011: \$43,875, 31 March 2012: \$89,469). K Baker resigned from the Audit and Risk Committee effective 12 August 2012 and T Brown and S Fitzgerald were appointed effective 13 August 2012.

During the period, the Group paid HRL Morrison & Co consultancy fees totalling \$75,595 (30 September 2011: \$nil, 31 March 2012: \$97,326).

During the period, Z Energy Limited, a 50% subsidiary of Infratil Limited, made payments to the Group totalling \$77,626 (30 September 2011: \$10,929, 31 March 2012: \$21,851) for the lease of property and land. The trade receivables owed by Z Energy Limited as at 30 September 2012 was \$41,150 (30 September 2011: \$38, 31 March 2012: \$36). During the period the Company entered into a contract with Z Energy Limited for the lease of a service station which commenced on 1 September 2012.

During the period, Cityline NZ Limited, a 100% subsidiary of Infratil Limited, made payments to the Group totalling \$102,903 (30 September 2011: \$77,879, 31 March 2012: \$188,452) for services relating to the Airport Flyer Bus. The trade receivables owed by Cityline NZ Limited as at 30 September 2012 was \$39,641 (30 September 2011: \$19,236, 31 March 2012: \$67,049).

During the period, iSite Limited, a 100% subsidiary of Infratil Limited, made payments to the Group totalling \$626,473 (30 September 2011: \$1,009,298, 31 March 2012: \$2,017,898) for the rights to sell advertising space at sites owned by the Group. The trade receivables owed by iSite Limited as at 30 September 2012 was \$150,339 (30 September 2011: \$nil, 31 March 2012: \$110,408).

From time to time Directors of the Group, or their related entities, may enter into transactions with the Group as members of the public. These transactions are entered into on an arm's length commercial basis.

**(14) Financial commitments**

**Capital commitments**

	Consolidated		
	6 months 30 Sep 2012 \$000 Unaudited	6 months 30 Sep 2011	12 months 31 Mar 2012 \$000 Unaudited
<b>Contracted but not provided for</b>	<b>7,742</b>	<b>4,320</b>	<b>497</b>

The capital commitments contracted but not provided for comprises car park works, service station and fast food developments, civil works, terminal development and sundry smaller projects.

**(15) Contingent liabilities**

There were no contingent liabilities outstanding at 30 September 2012 (30 September 2011 and 31 March 2012: nil).

**(16) Seasonality of operations**

There is no material seasonality to the Group's operations.

**(17) Events after balance date**

The Group has committed to purchase two airport fire trucks and to undertake car park upgrade work at a combined cost of \$2.6 million.