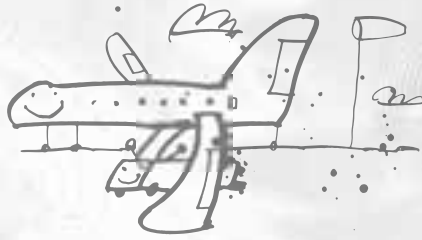


cleared for

Takeoff

Wellington Airport produced a strong year with an EBITDAF of

75.5^m



From the Chairman and CEO

As the Capital City's gateway, Wellington Airport is a vitally important piece of national infrastructure, providing a significant ongoing contribution to the region's economy and delivering a return to its shareholders and the city.

Wellington Airport produced another strong year with an EBITDAF of \$75.5m. Whilst this result reflects good growth in revenue it also reflects the Airport's ongoing focus on efficiency and the Airport remains one of the most efficient in Australasia. The result is a \$5.2m or 7.3% increase over the previous year excluding subvention payments. The annual dividend for Wellington City Council in 2012 equates to \$120 per ratepayer. The Airport's advertising subsidiary iSite Limited was sold during the period and following the sale a special dividend of \$40m was paid to shareholders. These results have been achieved despite forces of nature affecting travel, including ash cloud from Chile's Puyehue-Cordon Caulle volcano range, snow closing the runway and the Christchurch earthquake.

Aeronautical revenue increased overall by 7.3% for the year. Strong growth on international routes saw passenger numbers increase by 9.7% with increased capacity and attractive fares provided by the Air New Zealand / Virgin

trans-Tasman alliance and Qantas. Melbourne services grew by 12.8% and Sydney by 10.2%. Australian visitors to Wellington in general were up over 15% for the last 12 months which is significantly higher than the New Zealand average. Domestic passenger numbers were flat, with the withdrawal of Pacific Blue being offset by the increase in Jetstar's capacity on main trunk routes coupled with the introduction of its new route to Queenstown. This daily direct jet service to Queenstown provides a new opportunity for people in the greater Wellington region and its visitors to travel to Queenstown with low cost fares.

\$22.5m was invested in capital developments over the year. Infrastructure investment for the next five years is forecast to be in excess of \$100m, including \$65m in aeronautical capital expenditure. The new aircraft hangar on the western apron is a world class aircraft handling facility in New Zealand's capital city operated by Execujet. The car park extension doubled the number of undercover parks and provided 230 new parks on the top deck, improving drop-off facilities and accessibility. An objective of the Airport's retail offering is to reflect the best of Wellington and ensure a comprehensive range to meet all visitors' tastes and budgets. This focus contributed towards passenger services income increasing by 9.3% for the year under review.



David Newman - Chairman

The Airport successfully managed its busiest day ever with over 20,000 passengers, including three times the usual number of international passengers, after the quarter finals weekend of the Rugby World Cup 2011. Collaborative planning with our airport community went into ensuring all busy days ran as smoothly as possible. Thanks to the support from volunteers and airport ambassadors, all passengers and visitors for RWC 2011 were well looked after.

After a year of extensive consultation with its major airline partners and the Board of Airline Representatives of New Zealand, Wellington Airport finalised the charges airlines will pay for using the Airport's facilities and infrastructure for the next five years from 1 April 2012. The consultation resulted in the removal of the International Departure Fee, which has been in place for over 20 years. Wellington Airport's prices will remain in the middle of the range across Australasia and in-between Auckland and Christchurch Airports. The new prices ensure that travel to and from Wellington is competitive, with international charges set to reduce by 39% which, combined with incentives for growth, is expected to help promote new routes and additional services to the Capital.

New Zealand's three main airports are now required to complete new information disclosures to the Commerce Commission. The Commerce Commission is required to review the effectiveness of the information disclosure regime, and it is expected that this will be undertaken in late 2012 and 2013.

The Airport welcomed Steve Sanderson as Chief Executive for Wellington Airport in February 2012 and farewelled Steven Fitzgerald, who moved to another role with major shareholder Infratil and remains on the Airport's Board.

Behind the Airport's safe, efficient and welcoming gateway are its staff and partners: airlines, agencies, neighbours, over 100 businesses, 1500 people who work at the Airport, over 6000 people in directly related employment, capital providers and regional businesses. The Board has every confidence in the Airport team's ability to continually improve passengers' experience and business profitability. The planned developments for future passenger growth and investment in infrastructure will ensure Wellington Airport continues to remain one of the top Australasian Airports and maintains strong earnings growth.

2011

**Voted Australasia's
Leading Airport at the
World Travel Awards**



Steve Sanderson - CEO



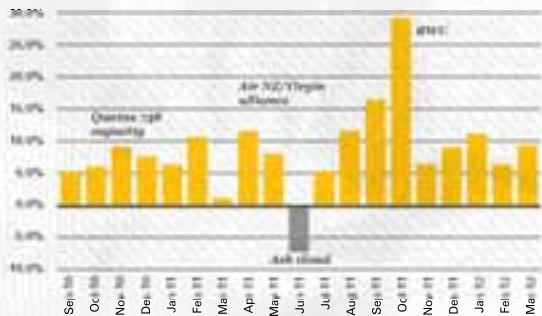
Wellington Airport's dividend to Wellington City Council was the equivalent of \$120 for each ratepayer.



International passengers

9.7%

International % Change on Same Month Prior Year



Wellington Airport is the most cost efficient of the major airports in Australasia. Also, with a limited land area, the Airport processes five times as many passengers per square metre than the average Australasian airport.



The Rock won 12 architectural, building and construction awards locally and internationally.

It was rated 4th best terminal in the world as reported in USA Today and the Daily Mail.



Aeronautical re

7.3

Touch

5.2m

passengers per year



Australian visitors to Wellington

15.6%

Won the Excellence in Aviation Safety award for continued commitment towards creating a safer apron.





Passenger services revenue

9.3%

Revenue

3%

\$22.5m

in capital development for 2012

down zone

onMobil
ty Award for
mmittment
ting a

Contribution to regional
economy greater than

\$750m

& 6125 employed

110,000

aircraft movements per year



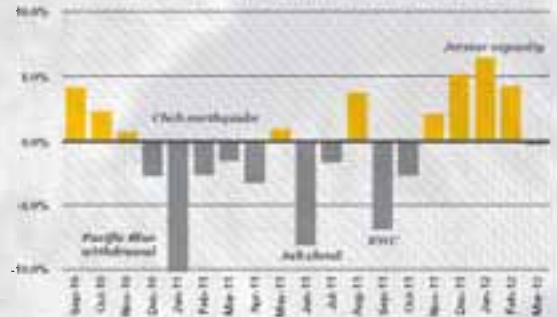
ZERO HARM

2011 was a zero harm year
for the airport staff and contractors.

Jetstar began operating daily between
Wellington and Queenstown in December
with passenger numbers on Queenstown
services increasing by over

200%

Domestic % Change on Same Month Prior Year





“

Air New Zealand now operates more than 700 return flights per week from Wellington. With more than \$3 billion of aircraft on order including new domestic ATR 72-600 and A320 aircraft, Air New Zealand looks forward to the support of Wellington Airport and the region in growing capacity further.”

Bruce Parton,
*Air New Zealand Group General Manager
Australasia Airline*

By 2030 passenger numbers are expected to double to 10 million.

This growth will require a \$450m investment in essential infrastructure. The increase will enable Wellington Airport to generate 11,500 new jobs in the region, sustaining 21,000 full time positions and increasing its contribution to the regional economy to \$1.6b a year with flow-on impacts of \$3.1b.

Wellington Airport is working with existing and potential airlines to improve the connectivity of the region to the rest of New Zealand and the world.

300,000 passengers flew between Wellington and a long haul destination in 2011 – of which 110,000 passengers travelled between Asia and Wellington, and a further 100,000 onward to Europe.

Wellington's long haul market increased by 5.3% in 2011 compared with 2010.

A direct service between Wellington and Asia, with onward connections to Europe would support daily flights. We are currently exploring airline options with existing and next generation aircraft (such as the B787 and A350) before any decision is made on a runway extension.

There are strong opportunities for airlines to serve new routes in Australia, the Pacific and Asia, and the Airport is in discussion with existing and potential operators on providing new services.

Exp
our

“

The number of Australian residential arrivals to Wellington over the last 12 months has increased by 15.6%. This significant increase is indicative of Wellington Airport becoming an increasingly important gateway for international passengers. It reflects the rising appeal of the capital as a destination for Australian travellers, which is a positive for both Wellington and Qantas.”

Rohan Garnett, *Qantas
Regional GM New Zealand
and Pacific Islands*



“

We have enjoyed and appreciate working with Wellington Airport to grow existing services and introduce new routes such as Wellington to Queenstown.”

David Hall, Chief Executive Officer Jetstar Australia and New Zealand



Monday 10 October, during RWC 2011, was the Airport's busiest day with over 20,000 passengers and triple the number of international passengers.

Significant and collaborative planning with our airport community went into ensuring that these days ran smoothly.

“

As a result of our new alliance with Air New Zealand, we now offer more flights to and from Wellington and a more convenient flight schedule. During peak months, Virgin Australia guests now have the choice of double-daily direct flights to Wellington from Sydney and Brisbane and daily flights from Melbourne. We are very pleased with the performance of the alliance so far and we look forward to continuing to work with Wellington Airport on future opportunities”.

Merren McArthur, Virgin Group Executive Alliances, Network and Yield

ending horizons

The Air Noise Management Committee supported the first stage of a plan to ensure airport noise continues to be effectively managed in the future.

The Airport operates well within the noise limits set by the Wellington City Council District Plan. Based on the recommendations of a study into airport noise, over the next two years the ANMC and Wellington Airport are developing the process to assess and treat dwellings against future airport noise. The noise treatment packages will be progressively rolled out over the next decade.



The Hobbit – an Unexpected Journey – opens for the public in December 2012 and we will be supporting the premiere on 28th November.





33,000 people voted on what they wanted see as the final installation on the Miramar Peninsula.

Wellington Blown Away was the clear winner. Media interest generated from the initiative equated to over \$23M worth of exposure around New Zealand and the World.

“

Wellington International Airport is a critical part of the Capital's infrastructure, connecting Wellington to the world and helping drive our region's economic growth. Wellington Airport is an award-winning and friendly face to thousands of visitors every year - and to Wellingtonians it's simply a great welcome home.”

Celia Wade-Brown,
Mayor of Wellington

Over the next year we are upgrading Airport Rescue and Fire trucks.

“

Thanks Wellington Airport! By winning the Wellington Airport Regional Community Supreme Award, Mana Recovery has received national recognition. This award has enabled us to expand by attracting new recycling contracts and create new jobs for our trainees and volunteers. I'm in high demand as a guest speaker on social enterprise!”

Elizabeth Coluzzi - General Manager, Mana Recovery

Beyond the

Earthquake monitoring system was installed to assess the specific impact of seismic events and the ability to return to operations.



Significant enhancements to the baggage handling system have been completed to help ensure on time aircraft departures and to help minimise wait times for baggage collection.



“

Arrived home from a big week in Sydney on Wed 18th April at 2.30pm. The shuttle was waiting for us and when I got to my car the battery was flat The chaps on duty that afternoon were brilliant as it took a big effort to finally get the car going. Please pass on to the three staff that helped me and my daughter our heartfelt thanks. They were brilliant and do your company proud in terms of customer service. Thanks guys you're brilliant.”

nd e tarmac

Airways Corporation and the Airport are working closer together to gain a more comprehensive understanding of our business, to better facilitate the integration of processes, and achieve the strategic air traffic capacity objectives set for the Airport.

Our Airport is the first in the world to be connected to an exciting pilot programme by Power Projects Limited to generate electricity from waves which will be located in Cook Strait.



Collaborative Decision Making is being used as a model within the Wellington Airport Community to help adjust operational processes and to measure performance with the objective of making Wellington a more efficient hub airport, providing a great passenger experience.

“

First impressions always set the tone and expectations of visitors and Airport management was superb given their leadership and preparedness to work with the city for RWC 2011. We shared a common commitment to ensuring that teams and visitors alike would have a positive experience and enduring memories of their time in Wellington. Our independent survey confirmed that we delivered on their expectations”


Derek Fry - Director RWC 2011, Wellington City Council



“

One of Australasia's largest cultural events, the New Zealand International Arts Festival enlivens our capital city, attracting nearly 300,000 people from across New Zealand and the world to over 300 events - including large scale free events. Wellington Airport's long term partnership has significantly contributed towards the Festival's on-going success. Working with the Airport has helped attract more visitors to Wellington and contributes towards making their Festival visit a memorable experience.”

Kerry Prendergast, Executive Chair, New Zealand International Arts Festival



Z Energy will be operating from the current Caltex site later in 2012. Burger King will be developing a new drive through restaurant on the site.

A comprehensive exciting re-design of the main terminal bathrooms is being undertaken in 2012.

The Rock was developed in time for the Rugby World Cup 2011 and doubled international processing capacity to 1000 passengers per hour. The Rock provides a dual international and domestic departure lounge with seating for 660 passengers.

The new 2,000m² hangar can host the largest scheduled aircraft and is used regularly by private and passenger aircraft for storage and light maintenance. The hangar is managed by ExecuJet.



Capacity of the upper level car park has doubled, providing improved access for people dropping off passengers at check-in.

We have also provided more accessible parks and increased the covered parking available on the ground level.

Donut King and Relay News & Books were opened.

JR/Duty Free commenced a major renovation to be complete by the end of July 2012.

Subway will be arriving soon on level 1 for those that want to eat fresh.

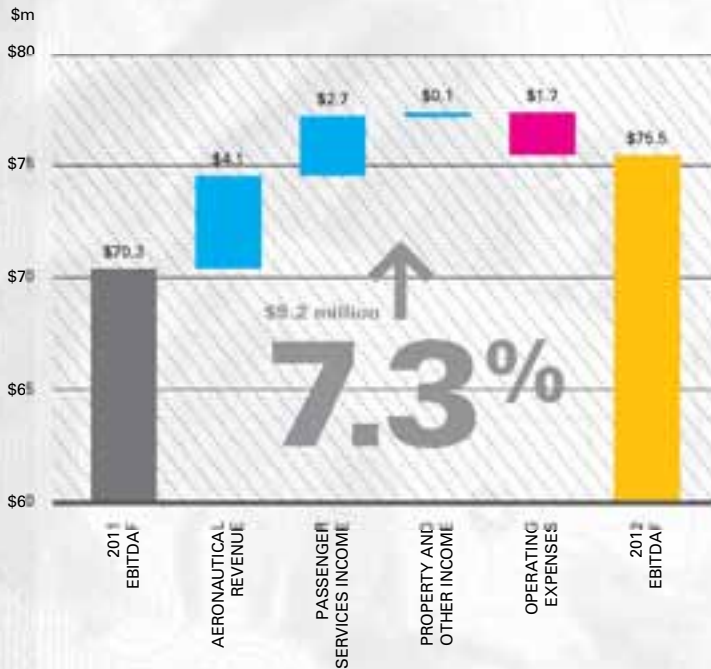
The Airport is working with airlines and the Aviation Security Service to finalise a plan to expand the Southern Terminal.

The expansion will allow for growth and provide a better amenity for the travelling public with additional gate lounge space, new toilets and more parking space for aircraft.

The popularity of the Retail Park has continued to grow with an expansion planned this year.

The historic terminal building and original superintendent's house was preserved by moving it to the eastern end of Lyall Bay and developing it into a cafe for beach goers, plane spotters and dog walkers.

Financials



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As the Capital City’s gateway, Wellington Airport is a vitally important piece of national infrastructure, providing a significant ongoing contribution to the greater region’s economy while delivering a return to its shareholders and the city. With 5.2m passengers, the Airport produced another strong year increasing EBITDAF by 7.3% to \$75.5m. The planned investments in our travellers’ experience and aeronautical assets will ensure Wellington Airport continues to remain one of the top Australasian Airports.”

*Steve Sanderson - CEO,
Wellington International Airport*