



**HALF YEAR FINANCIAL STATEMENTS FOR THE SIX
MONTHS ENDED 30 SEPTEMBER 2013**

WELLINGTON INTERNATIONAL AIRPORT LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 SEPTEMBER 2013

	Notes	Consolidated		
		6 months 30 Sep 2013 \$000 Unaudited	6 months 30 Sep 2012 \$000 Unaudited	12 months 31 Mar 2013 \$000 Audited
Landing and terminal charges		32,403	30,029	62,571
Retail and trading activities		16,981	15,958	32,779
Property rent and lease income		5,603	5,428	10,839
Total revenue		54,987	51,415	106,189
Operating expenses	4	(8,300)	(8,076)	(15,424)
Subvention payment	14	(35,330)	(29,982)	(29,982)
Employee remuneration and benefits		(4,229)	(3,890)	(7,825)
Total operating expenditure		(47,859)	(41,948)	(53,231)
Investment property revaluation net increase		-	1,241	4,698
Depreciation	8	(7,690)	(8,027)	(16,017)
Gain/(Loss) on sale of property, plant and equipment		8	(100)	602
Impairment of properties held for sale	9	(656)	(3,298)	(4,922)
Operating earnings before interest and financing expense		(1,210)	(717)	37,319
Interest income		643	47	147
Interest expense		(10,367)	(9,917)	(19,585)
Amortisation of fair value of ineffective hedges transferred from equity	11	-	(625)	(625)
Increase/(decrease) in value of financial instruments designated at fair value through profit or loss	11	6,700	(3,265)	(64)
Net financing expense		(3,024)	(13,760)	(20,127)
Net (loss)/profit before taxation		(4,235)	(14,477)	17,192
Taxation income/(expense)	7	5,529	8,906	(946)
Net (loss)/profit for the period		1,294	(5,571)	16,246
Other comprehensive income				
Revaluation of property, plant and equipment		-	-	16,093
Amortisation of fair value of ineffective hedges transferred to profit or loss		-	625	625
Change in value of cashflow hedge	7	280	-	-
Revaluation reserve movement on sale of assets		-	-	(53)
Income tax relating to components of other comprehensive income	7	(81)	(174)	(4,666)
Other comprehensive income, net of tax		199	451	11,999
Total comprehensive income		1,493	(5,120)	28,245

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 2013

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 2013	9,116	334,019	-	84,544	427,679
Total comprehensive income					
Net profit	-	-	-	1,294	1,294
Other comprehensive income					
Change in fair value of cashflow hedges, net of deferred taxation	-	-	199	-	199
Total other comprehensive income	-	-	199	-	199
Total comprehensive income	-	-	199	1,294	1,493
Contributions by and distributions to owners					
Dividends to equity holders	-	-	-	(10,828)	(10,828)
Total contributions by and distributions to owners	-	-	-	(10,828)	(10,828)
Balance at 30 September 2013	9,116	334,019	199	75,011	418,344

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
Total comprehensive income					
Net loss	-	-	-	(5,571)	(5,571)
Other comprehensive income					
Amortisation of fair value of ineffective hedges transferred to profit or loss, net of deferred taxation	-	-	451	-	451
Total other comprehensive income	-	-	451	-	451
Total comprehensive income	-	-	451	(5,571)	(5,120)
Transfer of revaluation reserve for residential properties disposed of	-	(54)	-	54	-
Contributions by and distributions to owners					
Dividends to equity holders	-	-	-	(8,826)	(8,826)
Total contributions by and distributions to owners	-	(54)	-	(8,772)	(8,826)
Balance at 30 September 2012	9,105	322,417	(0)	62,781	394,303

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

FOR THE PERIOD ENDED 30 SEPTEMBER 2013

12 months	Attributable to Equity Holders of the Group				Total Equity \$000 Audited
	Capital \$000 Audited	Revaluation Reserve \$000 Audited	Hedge Reserve \$000 Audited	Retained Earnings \$000 Audited	
Balance as at 1 April 2012	9,105	322,471	(451)	77,124	408,249
Total comprehensive income					
Net profit	-	-	-	16,246	16,246
Other comprehensive income					
Revaluation of property, plant and equipment, net of deferred taxation	-	11,586	-	-	11,586
Release revaluation reserve on sale of assets, net of deferred taxation	-	(38)	-	-	(38)
Amortisation of fair value of ineffective hedges transferred to profit or loss, net of deferred taxation	-	-	451	-	451
Total other comprehensive income	-	11,548	451	-	11,999
Total comprehensive income	-	11,548	451	16,246	28,245
Contributions by and distributions to owners					
Executive redeemable shares converted	30	-	-	-	30
Executive redeemable shares issued	(19)	-	-	-	(19)
Dividends to equity holders	-	-	-	(8,826)	(8,826)
Total contributions by and distributions to owners	11	-	-	(8,826)	(8,815)
Balance at 31 March 2013	9,116	334,019	-	84,544	427,679

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 2013

	Notes	Consolidated		
		6 months 30 Sep 2013 \$000 Unaudited	6 months 30 Sep 2012 \$000 Unaudited	12 months 31 Mar 2013 \$000 Audited
Cash and cash equivalents		55,770	8,216	5,725
Trade receivables		9,022	9,629	11,029
Prepayments and sundry receivables		2,477	2,695	1,722
Assets held for sale	9	6	28	3
Current assets		67,275	20,568	18,479
Property, plant and equipment	8	742,804	724,905	739,467
Investment properties	8	54,705	51,100	54,622
Derivative financial instruments		281	-	-
Non current assets		797,790	776,005	794,089
Total assets		865,064	796,573	812,568
Bank debt	5	23,881	28,809	-
Trade and other payables		1,263	1,258	1,287
Taxation payable		7,063	7,152	13,744
Accruals and other liabilities		9,064	9,161	9,107
Accrued employee benefits		1,372	1,223	1,313
Retail bonds	6	99,947	-	99,785
Derivative financial instruments		4	-	106
Current liabilities		142,594	47,603	125,342
Retail and wholesale bonds	6	199,330	248,952	149,385
Deferred taxation liability	7	92,009	83,027	90,778
Derivative financial instruments		12,786	22,688	19,384
Non current liabilities		304,126	354,667	259,547
Attributable to shareholders of the Company		418,344	394,303	427,679
Total equity		418,344	394,303	427,679
Total equity and liabilities		865,064	796,573	812,568

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 2013

	Notes	Consolidated		
		6 months 30 Sep 2013 \$000 Unaudited	6 months 30 Sep 2012 \$000 Unaudited	12 months 31 Mar 2013 \$000 Audited
Cash flows from operating activities				
<i>Cash was provided from:</i>				
Receipts from customers		56,968	50,467	104,004
Interest received		40	46	147
		57,008	50,513	104,151
<i>Cash was disbursed to:</i>				
Payments to suppliers and employees		(12,694)	(13,382)	(23,056)
Subvention payment	14	(35,330)	(29,982)	(29,982)
Interest paid		(10,665)	(9,880)	(19,770)
		(58,689)	(53,244)	(72,808)
Net cash flows from operating activities	12	(1,681)	(2,731)	31,343
Cash flows from investing activities				
<i>Cash was provided from:</i>				
Proceeds from sale of property, plant and equipment		10	2	-
		10	2	-
<i>Cash was disbursed to:</i>				
Costs of disposal of assets held for sale		-	-	(53)
Purchase of property, plant and equipment		(11,456)	(4,960)	(12,470)
		(11,456)	(4,960)	(12,523)
Net cash flows from investing activities		(11,446)	(4,958)	(12,523)
Cash flows from financing activities				
<i>Cash was provided from:</i>				
Issue of wholesale bonds	6	50,000	-	-
Drawdown/(repayment) of loans and borrowings	5	24,000	22,000	(7,000)
		74,000	22,000	(7,000)
<i>Cash was disbursed to:</i>				
Dividends paid	14	(10,828)	(8,826)	(8,826)
		(10,828)	(8,826)	(8,826)
Net cash flows from financing activities		63,172	13,174	(15,826)
Net movement in cash and cash equivalents		50,045	5,485	2,994
Cash and cash equivalents balance at the beginning of the year		5,725	2,731	2,731
Cash and cash equivalents balance at the end of the year		55,770	8,216	5,725

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 2013

(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.

These unaudited condensed consolidated half year financial statements comprising the Company and Wellington Airport Noise Treatment Limited ("WANT Limited"), its subsidiary, (the "Group"), have been prepared in accordance with New Zealand equivalent to International Accounting Standard 34 Interim Financial Reporting (NZ IAS 34). These condensed consolidated half year financial statements also comply with International Accounting Standard 34 Interim Financial Reporting (IAS 34).

The unaudited condensed consolidated half year financial statements for the six months to 30 September 2013 have been prepared in accordance with the accounting policies stated in the Group's published Annual Report for the year ended 31 March 2013 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/corporate.

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 Land Use Management and Insulation for Airport Noise Study was undertaken by WIAL in conjunction with its airlines, Board of Airline Representatives New Zealand Inc, Wellington City Council and the local Air Noise Management Committee in order to fulfil WIAL's obligations arising from the Environment Court proceedings in 1997. The work identified from this study includes the acquisition and removal of noise affected houses and the provision of noise mitigation and insulation activities for others. WIAL commenced charging the airlines operating at Wellington Airport for these activities from 1 April 2012 and this charge is currently approximately 40 cents per passenger. These charges and noise mitigation activities are managed in WANT Limited, a wholly owned subsidiary of WIAL. WANT Limited has forecast that it will have predominantly concluded the noise management activities by the end of the financial year ending 31 March 2017 and it is expected that the charges will recover the noise mitigation costs and breakeven over the five year period from 1 April 2012 to 31 March 2017.

(3) Reconciliation of Earnings before Interest, Taxation, Depreciation, Amortisation, Fair Value Movements of Financial Instruments, Realisations and Impairments (EBITDAF)

The Group's EBITDAF is presented to provide further information on its operating performance.

	Consolidated		
	6 months 30 Sep 2013 \$000 Unaudited	6 months 30 Sep 2012 \$000 Unaudited	12 months 31 Mar 2013 \$000 Audited
Net profit/(loss) from continuing operations after taxation	1,294	(5,571)	16,246
Subvention payment	35,330	29,982	29,982
Net interest expense	9,724	9,871	19,438
Taxation (income)/expense	(5,529)	(8,906)	946
Depreciation	7,690	8,027	16,017
Investment property revaluation net increase	-	(1,241)	(4,698)
(Gain)/loss on sale of property, plant and equipment	(8)	100	(602)
Loss on recognition of assets held for sale	656	3,298	4,922
Amortisation of fair value of ineffective hedges transferred from equity	-	625	625
(Increase)/Decrease in value of financial instruments designated at fair value through profit or loss	(6,700)	3,265	64
Earnings before interest, taxation, depreciation, amortisation and fair value adjustments (EBITDAF)	42,458	39,448	82,940

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

FOR THE PERIOD ENDED 30 SEPTEMBER 2013

(4) Operating expenses

	Consolidated		
	6 months 30 Sep 2013	6 months 30 Sep 2012	12 months 31 Mar 2013
	\$000	\$000	\$000
	Unaudited	Unaudited	Audited
Fees paid to auditors:			
Audit fees	47	44	92
Taxation	4	28	5
Other assurance services	24	30	14
Donations	-	4	4
Directors' fees	169	140	320
Regulatory compliance and statutory consultation	310	526	878
Marketing and development	610	656	1,150
Cleaning and energy	1,014	998	1,887
Rates	922	850	1,965
Insurance	1,070	1,132	2,343
Repairs and maintenance	1,228	968	1,541
Operating lease expenses	394	414	818
Administration and other expenses	2,507	2,286	4,407
Total operating expenses	8,300	8,076	15,424

(5) 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 2013 Annual Report.

	Consolidated		
	6 months 30 Sep 2013	6 months 30 Sep 2012	12 months 31 Mar 2013
	\$000	\$000	\$000
	Unaudited	Unaudited	Audited
Current liabilities			
Commercial paper	-	20,000	-
Bank credit facility	24,000	9,000	-
Less facility fees to be expensed	(119)	(191)	-
Total current liabilities	23,881	28,809	-
Facilities utilised at reporting date			
Unsecured standby facility	24,000	-	-
Facilities not utilised at reporting date			
Unsecured standby facility	66,000	90,000	90,000

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

As at 30 September 2013, the Group has not issued any commercial paper (30 September 2012: \$20.0 million and 31 March 2013: \$nil). Interest rates were determined by reference to prevailing money market rates. The interest rate paid during the period was \$nil (30 September 2012: 2.92% and 31 March 2013: 2.92%).

Standby facilities

At 30 September 2013, the Group had unsecured standby facility of \$90.0 million (30 September 2012 and 31 March 2013: \$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 3.32% to 3.34% (30 September 2012: 4.09% to 4.19%, 31 March 2013: 3.29% to 3.39%).

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

FOR THE PERIOD ENDED 30 SEPTEMBER 2013

(6) Bonds

	Consolidated		
	6 months 30 Sep 2013	6 months 30 Sep 2012	12 months 31 Mar 2013
	\$000	\$000	\$000
	Unaudited	Unaudited	Audited
Current			
Retail bonds maturing in November 2013, fixed 7.50% p.a.	100,000	-	100,000
Less transaction costs from issue still to be expensed	(53)	-	(215)
Total current bonds	99,947	-	99,785
Non current			
Retail bonds maturing in November 2013, fixed 7.50% p.a.	-	100,000	-
Less transaction costs from issue still to be expensed	-	(382)	-
Wholesale bonds maturing August 2017, 2.88% per annum to 1 November 2013, then repriced quarterly at BKBM plus 25bp	150,000	150,000	150,000
Less transaction costs from issue still to be expensed	(532)	(666)	(615)
Wholesale bonds maturing June 2019, 3.93% per annum to 1 December 2013, then repriced quarterly at BKBM plus 130bp	25,000	-	-
Less transaction costs from issue still to be expensed	(56)	-	-
Wholesale bonds maturing June 2020, 5.27% per annum.	25,000	-	-
Less transaction costs from issue still to be expensed	(82)	-	-
Total non current bonds	199,330	248,952	149,385
Balance at the end of the period	299,277	248,952	249,170

At 30 September 2013, the bonds had a fair value of \$303.1 million (30 September 2012: \$256.1 million, 31 March 2013: \$254.6 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.

Bond refinancing

WIAL has \$100 million of retail bonds maturing in November 2013. In June 2013 WIAL issued \$25 million of wholesale bonds maturing in June 2019, and \$25 million of wholesale bonds maturing in June 2020. The wholesale bonds were issued to partially refinance the maturing retail bonds. On 10 October 2013, WIAL announced a fixed 6.25% retail bond offer maturing in May 2021 of \$50 million (with the ability to accept overscriptions of up to \$25 million). The offer has been fully subscribed (including overscriptions) and \$75 million of retail bonds are to be issued after the bond offer closes on 11 November 2013.

All bonds issued with floating rate exposures have been fixed with interest rate swaps.

(7) Taxation

	Consolidated		
	6 months 30 Sep 2013	6 months 30 Sep 2012	12 months 31 Mar 2013
	\$000	\$000	\$000
	Unaudited	Unaudited	Audited
Net (loss)/surplus from continuing operations before taxation	(4,235)	(14,477)	17,192
Taxation for the year at 28%	(1,186)	(4,054)	4,812
Subvention payment made in respect to prior period	9,892	8,395	8,395
Taxation effect on non deductible expenses	42	40	870
Prior period adjustment	-	-	-
Loss offset	(4,419)	(4,454)	(4,454)
Over provision in prior years	(9,858)	(8,833)	(8,677)
Taxation income from continuing operations	(5,529)	(8,906)	946
Current taxation	(6,679)	(5,849)	744
Deferred taxation	1,150	(3,057)	202
Taxation income from continuing operations	(5,529)	(8,906)	946

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

#REF!

(8) Property, plant and equipment

Consolidated	Land	Civil	Buildings	Vehicles, Plant and Equipment	Capital work in progress	Total
	\$000	\$000	\$000	\$000	\$000	\$000
30 September 2013 unaudited						
Cost or valuation						
Balance at 1 April 2013	289,701	147,736	305,659	35,128	9,021	787,245
Additions	580	41	776	462	9,796	11,655
Transfer from capital work in progress	1	204	158	361	(724)	-
Transfer to investment properties	-	-	(6)	(75)	-	(81)
Transfer to assets held for sale	-	-	-	-	(544)	(544)
Disposals	-	-	(28)	(110)	-	(138)
Balance at 30 September 2013	290,282	147,981	306,559	35,766	17,549	798,137
Accumulated depreciation and impairment losses						
Balance at 1 April 2013	-	12,063	15,151	20,564	-	47,778
Depreciation for the year	-	2,481	3,745	1,464	-	7,690
Disposals	-	-	(28)	(107)	-	(135)
Balance at 30 September 2013	-	14,544	18,868	21,921	-	55,333
Net book value at 30 September 2013	290,282	133,437	287,691	13,845	17,549	742,804
30 September 2012 unaudited						
Cost or valuation						
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	-	-	-	0	(4)	(4)
Disposals	-	(137)	(3,402)	(83)	-	(3,622)
Balance at 30 September 2012	289,231	147,704	288,911	34,136	4,771	764,753
Accumulated depreciation and impairment losses						
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)
Balance at 30 September 2012	-	9,273	11,438	19,137	-	39,848
Net book value at 30 September 2012	289,231	138,431	277,473	14,999	4,771	724,905
31 March 2013 audited						
Cost or valuation						
Balance at 1 April 2012	289,231	146,971	291,087	33,671	2,719	763,679
Additions	470	418	2,500	1,255	7,483	12,126
Transfer from capital work in progress	-	483	403	295	(1,181)	-
Transfer to investment properties	-	-	(64)	(5)	-	(69)
Disposals	-	(136)	(4,361)	(88)	-	(4,585)
Movements in asset revaluation	-	-	16,094	-	-	16,094
Balance at 31 March 2013	289,701	147,736	305,659	35,128	9,021	787,245
Accumulated depreciation and impairment losses						
Balance at 1 April 2012	-	6,465	7,672	17,894	-	32,031
Depreciation for the year	-	5,661	7,611	2,745	-	16,017
Disposals	-	(63)	(132)	(75)	-	(270)
Balance at 31 March 2013	-	12,063	15,151	20,564	-	47,778
Net book value at 31 March 2013	289,701	135,673	290,508	14,564	9,021	739,467

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

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(8) Property, plant and equipment (continued)

Consolidated	Land	Civil	Buildings	Vehicles, Plant and Equipment	Capital work in progress	Total
	\$000	\$000	\$000	\$000	\$000	\$000
30 September 2013 unaudited						
Revalued assets at deemed cost						
Cost	86,204	123,071	233,053	35,150	9,021	486,499
Additions	580	41	776	462	9,796	11,655
Increase/(decrease) in assets under construction during the year	1	204	158	361	(724)	-
Transfer to investment properties	-	-	-	(72)	-	(72)
Disposals	-	-	(5)	(110)	(544)	(659)
Less accumulated depreciation	-	(32,979)	(55,796)	(22,074)	-	(110,849)
Net book value 30 September 2013	86,785	90,337	178,186	13,717	17,549	386,574
30 September 2012 unaudited						
Revalued assets at deemed cost						
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)
Net book value 30 September 2012	85,165	81,577	154,670	9,686	4,771	335,869
31 March 2013 audited						
Revalued assets at deemed cost						
Cost	85,734	122,311	234,017	33,694	2,719	478,475
Additions	470	418	2,500	1,255	7,483	12,126
Transfer to investment properties	-	-	(64)	(5)	-	(69)
Increase/(decrease) in assets under construction during the year	-	483	403	295	(1,181)	-
Disposals	-	(141)	(3,803)	(89)	-	(4,033)
Less accumulated depreciation	-	(31,631)	(53,070)	(20,716)	-	(105,417)
Net book value 31 March 2013	86,204	91,440	179,983	14,434	9,021	381,082

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. Management last revalued the carpark business as at 31 March 2013. Details of the valuations are set out in the 2013 Annual Report.

Capital work in progress

For the period ended 30 September 2013, capitalised borrowing costs relating to capital work in progress amounted to \$0.2 million (30 September 2012: \$0.1 million, 31 March 2013: \$0.1 million), with an average capitalisation rate of 6.74% (30 September 2012: 6.8%, 31 March 2013: 6.75%).

(9) Assets held for sale

In May 2012, the Group 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 Group which adjoin the airport boundary were 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 2013 \$000 Unaudited	6 months 30 Sep 2012 \$000 Unaudited	12 months 31 Mar 2013 \$000 Audited
Assets held for sale			
Balance at the beginning of the year	3	-	-
Assets transferred at fair value from property, plant and equipment	544	3,284	4,869
Less write down to recoverable amount	(541)	(3,253)	(4,835)
Less houses removed	-	(3)	(31)
Total assets held for sale	6	28	3
Impairment of assets held for sale			
Assets transferred at fair value from property, plant and equipment	544	3,284	4,869
Disposal costs	112	14	53
Total assets transferred at fair value from property, plant and equipment	656	3,298	4,922

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

FOR THE PERIOD ENDED 30 SEPTEMBER 2013

(10) Investment in subsidiary

The Company holds shares in the following operating companies:

Subsidiary	Balance Date	30 Sep 2013 Holding	30 Sep 2012 Holding	31 Mar 2013 Holding	Principle activity	Country of incorporation
WANT Limited	31 March	100%	100%	100%	Noise mitigation	New Zealand

WANT Limited commenced trading on 1 April 2012.

(11) Hedging and financial instruments

(i) Change in value of financial instruments designated as fair value through:

(a) Profit or loss

As at 30 September 2013, 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 gain of \$6.7 million in the period ended 30 September 2013 (30 September 2012: unrealised loss of \$3.2 million, 31 March 2013: unrealised gain of \$0.1 million).

(b) Equity

As at 30 September 2013, the group held interest rate contracts with maturities up to June 2019 which are an effective hedge against the wholesale bonds issued at floating interest rate in June 2013. Interest rate contracts are marked to market and this has resulted in an unrealised gain of \$0.3 million in the period ended 30 September 2013 (30 September 2012: nil, 31 March 2013: nil) which has been recognised in other comprehensive income.

(c) Forward foreign exchange contracts

As at 30 September 2013, the group held forward foreign exchange contracts in relation to the purchase of two firetrucks maturing in November and December 2013 respectively. This has resulted in an unrealised gain of \$0.1m in the period ended 30 September 2013 (30 September 2012: nil, 31 March 2013: unrealised loss of \$0.1m).

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

	Consolidated		
	6 months 30 Sep 2013 \$000 Unaudited	6 months 30 Sep 2012 \$000 Unaudited	12 months 31 Mar 2013 \$000 Audited
Net (loss)/surplus	1,294	(5,571)	16,246
Add items not involving cash flows			
Investment property net revaluation increase	-	(1,241)	(4,698)
Change in value of financial instruments designated as fair value through profit	(6,700)	3,264	64
Amortisation of fair value of ineffective hedges transferred from equity	-	626	625
Depreciation	7,690	8,027	16,017
Write down to recoverable value of residential houses held for sale	656	3,298	-
Loss on disposal of property, plant and equipment	(8)	100	(602)
Loss on recognition of assets held for sale	-	-	4,922
Movement in deferred tax	1,150	(3,058)	202
Interest capitalised	(161)	(16)	(134)
Movements in working capital			
(Increase)/decrease in trade and accounts receivables	2,007	(737)	(2,121)
Increase in prepayments and sundry receivables	(767)	(1,112)	251
(Decrease)/increase in accounts payable	(24)	(694)	(665)
Increase/(decrease) in accruals and other liabilities	(140)	230	491
(Decrease)/increase in taxation payable	(6,681)	(5,847)	745
Net cash inflow from operating activities	(1,681)	(2,731)	31,343

(13) 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.

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

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

FOR THE PERIOD ENDED 30 SEPTEMBER 2013

(14) 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 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 25 June 2013 to the Wellington City Council of \$10,827,757 (30 September 2012 and 31 March 2013: \$8,825,955) i.e. \$0.79 per share (30 September 2012 and 31 March 2013: \$0.65 per share).

During the period, WIAL charged noise levies to airlines operating at the airport. These charges are recorded in WANT Limited and comprise sales transactions charged to WIAL totalling \$1,105,406 (30 September 2012: \$1,043,584, 31 March 2013: \$2,182,122). WANT Limited also made payments to WIAL which includes the charging of administrative services. During the period WIAL has sold residential houses to WANT Limited at a market value of \$544,382 (30 September 2012: \$1,997,391, 31 March 2013: \$4,869,325). The trade receivables owed by WANT Limited as at 30 September 2013 was \$2,902,108 (30 September 2012: \$2,350,573, 31 March 2013: \$5,190,541) and the trade payables owed to WANT Limited as at 30 September 2013 was \$205,352 (30 September 2012: \$993,017, 31 March 2013: \$1,419,146).

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.

	Consolidated		
	6 months	6 months	12 months
	30 Sep 2013	30 Sep 2012	31 Mar 2013
	\$000	\$000	\$000
	Unaudited	Unaudited	Audited
Transactions made during the period			
Wellington City Council			
Dividend payment	(10,828)	(8,826)	(8,826)
Infratil and its subsidiaries			
Infratil Group - subvention payment	(35,330)	(29,982)	(29,982)
Cityline NZ Limited - Airport Flyer Bus services	141	103	214
H.R.L. Morrison and Co Limited - consultancy fees	-	(76)	(116)
- directors' fees	(74)	(53)	(125)
iSite Limited	784	627	1,407
Infratil associate			
Z Energy	208	78	285
Balance payable at the end of the period			
H.R.L. Morrison and Co Limited	42	11	-

Directors fees were paid during the period to H.R.L. Morrison & Co, the company responsible of the day to day management of Infratil Limited, of \$74,444 for the services of T Brown, P Coman and S Fitzgerald as Directors and T Brown and S Fitzgerald as Audit and Risk Committee Members (30 September 2012: \$53,030, 31 March 2013: \$124,828). 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.

(15) Financial commitments

Capital commitments

	Consolidated		
	6 months	6 months	12 months
	30 Sep 2013	30 Sep 2012	31 Mar 2013
	\$000	\$000	\$000
	Unaudited	Unaudited	Audited
Contracted but not provided for	4,493	7,742	10,618

The capital commitments contracted but not provided for comprises car park works, civil works, purchase of fire trucks and sundry other projects.

(16) Contingent liabilities

There were no contingent liabilities outstanding at 30 September 2013 (30 September 2012 and 31 March 2013: \$nil).

(17) Seasonality of operations

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

(18) Events after balance date

As stated in Note 6 WIAL announced a retail bond issue on 10 October 2013. The offer has been fully subscribed (including oversubscriptions) and \$75 million of retail bonds are to be issued after the bond offer closes on 11 November 2013.

There were no other material events after balance date.