Auckland Airport

Annual Results Presentation

20 August 2020

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Important notice

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Refer page 33 for a glossary of the key terms used in this presentation.

Highlights

An incredible year…

Results at a glance

Revenue	**Reported profit after tax**	**Passenger movements**	**Operating cashflow**
$567.0m	$193.9m	15.5m	$175.8m
▼ (23.7)%	▼ (63.0)%	▼ (26.5)%	▼ (53.2)%
	Earnings per share 15.2 cps		
EBITDAFI	**Underlying profit[1]**	**Aircraft movements**	**Capital investment[2]**
$260.4m	$188.5m	139,137	$370.8m
▼ (53.1)%	▼ (31.4)%	▼ (22.2)%	▲ 30.5%
	Earnings per share 14.7 cps		

1. *Refer appendix for reconciliation of reported profit after tax to underlying profit after tax*
2. *Net capital expenditure additions after $62.2m of capex write-offs and impairments*

The impact of COVID-19 is unprecedented

Aeronautical

$233.6m revenue (25.3)%

Lower PAX reflecting COVID impact
(26.3)% International
(26.5)% Domestic
(27.4)% Transits

Retail

$141.5m income (37.3)%

Difficult retail environment:
$17.45 income per passenger
(0.5)% decline in international PSR

Transport

$50.3m revenue (21.7)%

Slightly less decline than in domestic PAX:
(27.9)% reduction in exits
(26.5)% ARPS decrease

Property

$88.5m revenue 2.2%

Development momentum continues:
$300m-plus under construction
$2.0bn portfolio value
$104.0m rent roll
9.3 year WALT

Hotels

$38.3m revenue* (2.8)%

Travel restrictions impacted demand:
82.5% occupancy

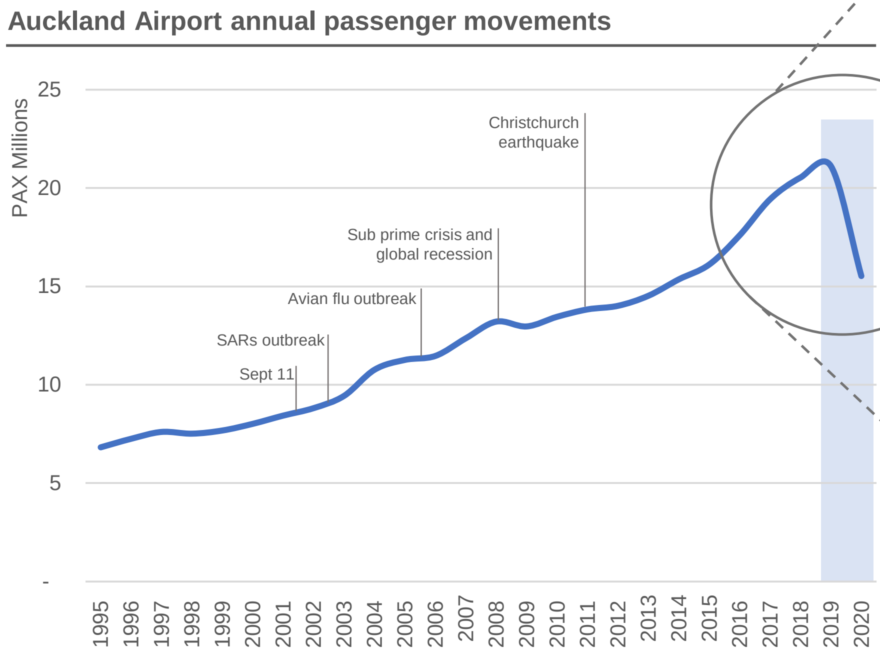
Queenstown

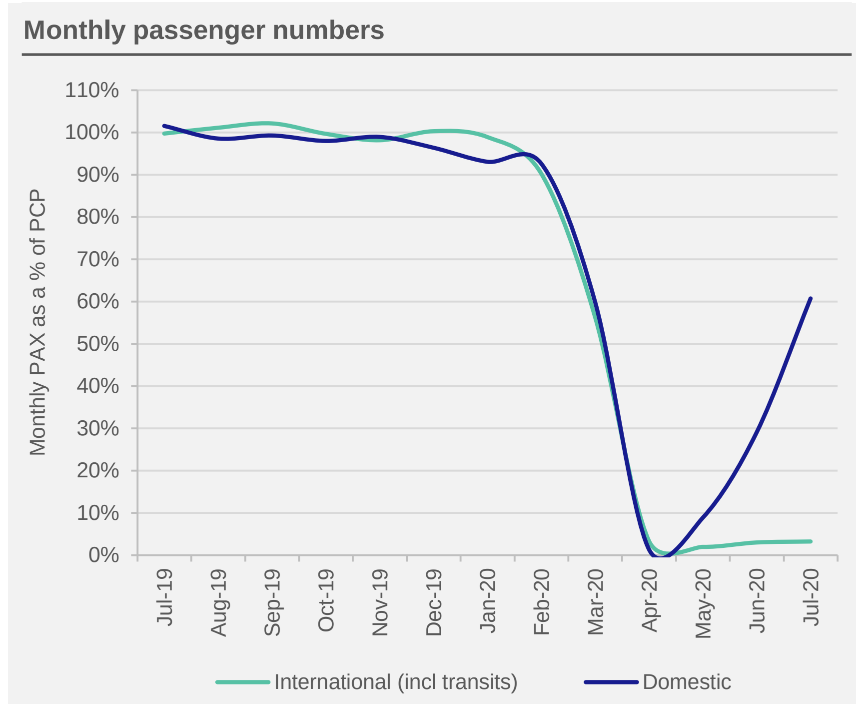
$46.7m revenue (5.8)%

PAX reductions owing to COVID-19:
(11.1)% International
(22.7)% Domestic

** Includes ibis Budget Hotel and 100% of Novotel Hotel revenues*

The impact of COVID-19 is unprecedented (con't)





Passenger numbers at Auckland Airport have been resilient to a number of major external shocks over the long term

But the impact COVID-19 has been unprecedented in recent history with passenger numbers substantially down on the prior year

Source: Auckland Airport

Financial performance

Performance impacted by slowdown in the 2H20

For the year ended 30 June ($m)	2020	2019	Change
Revenue	567.0	743.4	(23.7%)
Expenses[1]	306.6	188.6	62.6%
Earnings before interest, taxation, depreciation, fair value adjustments and investments in associates (EBITDAFI)	**260.4**	**554.8**	**(53.1%)**
Share of profit from associates	8.4	8.2	2.4%
Derivative fair value movement	(1.9)	(0.6)	(216.7%)
Property, plant and equipment revaluation	(45.9)	(3.8)	N/A
Investment property revaluation	168.6	254.0	(33.6%)
Impairment of investment in joint venture	(7.7)	-	N/A
Depreciation expense	112.7	102.2	10.3%
Interest expense	71.8	78.5	(8.5%)
Taxation expense	3.5	108.4	(96.8%)
Reported profit after tax	**193.9**	**523.5**	**(63.0%)**
Underlying profit after tax[2]	**188.5**	**274.7**	**(31.4%)**

1. Includes capital expenditure write-offs, impairments and contractor termination costs of $117.5 million, redundancy costs of $5.9 million and credit losses of $7.3 million in 2020
2. A reconciliation between profit after tax and underlying profit after tax is included in the Appendix

Property steady, while all other income declined

For the year ended 30 June ($m)	2020	2019	Change
Airfield income	100.6	127.6	(21.2%)
Passenger services charge	133.0	185.1	(28.1%)
Retail income	141.5	225.8	(37.3%)
Car park income	50.3	64.2	(21.7%)
Investment property rental income	88.5	86.6	2.2%
Other rental income	20.7	21.2	(2.4%)
Other income	32.4	32.9	(1.5%)
Total revenue	**567.0**	**743.4**	**(23.7%)**

- Aeronautical income fell 25.3% in the year reflecting the impact of travel restrictions put in place following COVID-19
- Retail income decreased by 37.3%, reflecting support offered to retail tenants following COVID-19. PSR remained relatively stable for the year, supported by the completion of the Food and Beverage offering in the international terminal
- Parking revenue fell 21.7%, reflecting lower demand in the second half of the year following COVID-19
- Investment property rental income growth of 2.2% reflected the completion of new assets in the year and the full-year impact of developments completed during the previous financial year

Cost reduction measures offset by one-off costs

For the year ended 30 June ($m)	2020	2019	Change
Staff	62.9	59.1	6.4%
Asset management, maintenance and airport operations	77.5	81.1	(4.4%)
Rates and insurance	18.0	16.1	11.8%
Marketing and promotions	8.3	12.7	(34.6%)
Professional services and levies	6.2	8.6	(27.9%)
Fixed asset write-offs, impairments and termination costs	117.5	-	N/A
Other expenses	16.2	11.0	47.3%
Total operating expenses	**306.6**	**188.6**	**62.6%**
Depreciation	112.7	102.2	10.3%
Interest	71.8	78.5	(8.5%)

- Total operating costs increased 62.6% driven by the one-off costs associated with capital expenditure write-offs, impairments and contractor terminations, redundancies and expected credit losses
- Staff costs rose 6.4% reflecting higher headcount in 1H20 and $5.9m redundancy costs in 2H20, partially offset by staff salary reductions and the $4.1m Government wage subsidy
- Asset management, maintenance and operations expenses decreased by 4.4% as outsourced operations were scaled down following COVID-19
- Rates and insurance expenses grew by 11.8% reflecting insurance premium increases and the impact on rates of new investment properties and the annualised impact of expanded terminal buildings
- Other expenses increased by 47.3% reflecting provisions for expected credit losses relating to airlines and some retail tenants

Non-COVID related opex down in the second half

For the half year ended 30 June ($m)	2H20	2H19	Change
Staff[1]	28.7	29.3	(2.0%)
Asset management, maintenance and airport operations	35.0	42.5	(17.6%)
Rates and insurance	9.1	8.2	11.0%
Marketing and promotions	2.7	7.2	(62.5%)
Professional services and levies	3.4	3.7	(8.1%)
Other expenses[2]	4.6	4.2	9.5%
Total non-COVID-19 impacted operating expenses	**83.5**	**95.1**	**(12.2%)**
COVID-19 related expenses	127.6	-	-
Total operating costs	**211.1**	**95.1**	**122.0%**

- Operating expenses excluding COVID-19-related one-off costs as shown above, down by 12.2% versus 2H19
- On track to deliver targeted circa 35% opex reductions prior to restarting profitable domestic-oriented commercial activities (e.g. Valet, Park and Ride and domestic retail) and the planned reopening of Pier B to process arrivals from higher risk countries. Forecast opex outturn still well within $10m of original target
- COVID-19 related expenses and offsets incurred in the second half of FY20 includes redundancy costs, government wage subsidy, project management salaries that were previously capitalised, fixed asset write-offs, impairments and termination costs and COVID-19 related credit losses

1. *Excludes $5.9m of redundancy costs, $1.8m of non-capitalised fourth quarter project manager salaries (subsequently restructured) and a $4.1m offset relating to the Government Wage Subsidy in 2H20*
2. *Excludes $6.5m of expected credit losses that were assessed to be COVID-19-related of the $7.3m total expected credit losses provided for in FY20 (refer to note 5 of the Financial Statements)*

Balance sheet remains strong

For the year ended 30 June ($m)	2020	2019	Change
Non-current assets	**8,448.7**	**8,590.8**	**(1.7%)**
Property, plant and equipment	6,060.8	6,577.1	(7.8%)
Investment properties	2,042.7	1,745.4	17.0%
Other non-current assets	345.2	268.3	28.7%
Current assets	**848.5**	**106.3**	**698.2%**
Cash	765.3	37.3	1,951.7%
Other current assets	83.2	69.0	20.6%
Non-current liabilities	**2,192.8**	**2,104.2**	**4.2%**
Term borrowings	1,824.4	1,748.6	4.3%
Other non-current liabilities	368.4	355.6	3.6%
Current liabilities	**467.3**	**560.0**	**(16.6%)**
Equity	**6,637.1**	**6,032.9**	**10.0%**

- Balance sheet supported by the $1.2b equity raise in April 2020
- As at 30 June 2020, Auckland Airport held $765m of cash and cash equivalents, up from $37m at 30 June 2019, with the balance of the equity proceeds used to pay down bank lines and support operating and capital expenditure
- Net debt of $1,380m at 30 June 2020, down $773m (35.9%) from the $2,153m at 30 June 2019 after $371m of capex in FY20 (net of $62.2m of capex write-offs and impairments)

Our continuing journey

The year pre-COVID-19

The eight-month period to the end of February was one of continued delivery

Aeronautical

- New international routes to Vancouver and Seoul commenced
- Announcement of new services to New York and Dallas/Fort Worth
- Up-gauging and additional frequencies on a number of existing routes
- Strong domestic demand drove improved load factors in an environment of constrained capacity

Operations

- Delivered important terminal improvements and streamlined processes including:
  - completed the transformation of the international terminal departure area;
  - upgrade of the security screening in the domestic terminal;
  - launched 12 automated pre security gates;
  - continued the rollout of check-in kiosks,
  - prepared Passenger Lane introduced at the Domestic Terminal for a faster path through security screening
- Improvements reflected in our customer satisfaction scores the highest in six years (4.19 out of 5)

Infrastructure

- Construction of the Northern stands and taxiways commenced, which included two new taxiways and six remote aircraft stands, covering more than 250,000m^2
- Key elements of the $350 million, 30,000m^2 international Arrivals project agreed with border agencies, airlines and contractors. Construction contract signed and enabling works had commenced
- Design, procurement and costing work progressed on the $1 billion plus Domestic Jet Hub. Formed a project alliance with design consultant and leading contractors
- Secured planning approval for the full length 2,983m northern runway and concept design confirmed

The year pre-COVID-19 (cont'd)

The eight-month period to the end of February was one of continued delivery

Retail



- Opened the two-storey Vantage Bar overlooking the runway, marking the conclusion of the international departures upgrade
- Domestic terminal works continued with the expansion of the landside foodcourt
- Advanced our e-commerce footprint in the form of the WeChat mini store, with WeChat Pay and Alipay functionality added

Transport




- Work began on the Northern road network project to improve accessibility and transform the entranceway into the airport
- Construction of the Park & Ride South facility commenced which was expected to deliver 3,200 new car parks in late 2020 and complement NZTA's widening of SH20B
- 1,000 bay multi-storey car park opened on 1 July 2019
- 700 Valet storage spaces added

Property



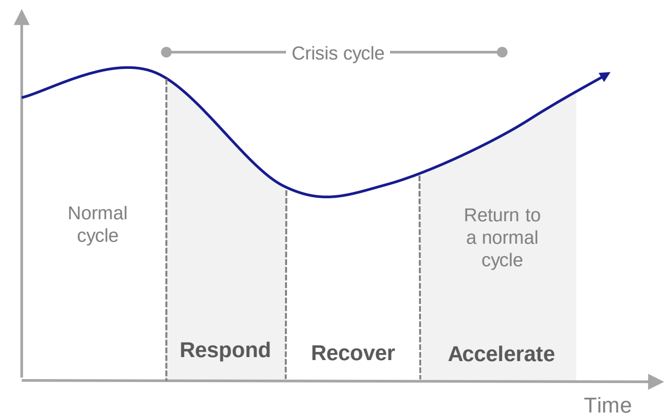

- Completed developments include:
  - 5,500m^2 development leased to ASX listed Bapcor
  - Airways office and control centre
  - Stage 1 of The Landing commercial centre
- Secured three new pre-leased building commitments with Hellmann, DHL and Interwaste which are expected to contribute a further $85 million to the portfolio on completion
- 85,000m^2 Foodstuffs NZ development remains on track to be completed in January 2021

Impact of COVID-19

Unprecedented reduction in passengers has impacted the entire industry

- The global spread of COVID-19 and the subsequent imposition of travel restrictions has had a profound impact on the aviation industry
- Total passenger numbers have fallen significantly since March and for the month of June were 85% down on equivalent month in 2019
  - international passengers down 97%;
  - domestic passengers down 71%; and
  - aircraft movements down 61%
- The reduction in traffic has heavily impacted revenue across business, but primarily in the passenger connected parts of aeronautical, retail, transport and hotels business. In addition, we have also seen a secondary impact of the travel restrictions on tenants in the airport's investment property division that are directly linked to passenger movements, e.g. rental car
- Notwithstanding the reduction in PAX, the airport's investment property business has been resilient with an increase in rental income in the year
- The scale of the impact means a change in corporate strategy to one of *Respond, Recover and Accelerate*

Phases of Auckland Airport's COVID strategy



Response to COVID-19: Phase 1

Auckland Airport moved quickly to respond to the rapidly changing environment that COVID-19 created

- Following the outbreak, Auckland Airport immediately revised operational procedures to cater for the new environment including adjusting cleaning protocols, establishing new operational models to assist essential travel and supporting new government border requirements
- Auckland Airport provided tailored support packages for selected airlines, retailers and property tenants to manage through the disruption
- In addition, the company proactively addressed liquidity and cashflow requirements by:
  - prudent suspension of capacity-driven capital expenditure with a completed project value in excess of $2 billion;
  - implementing a sharp focus on operating cost reductions; and
  - decisive action to bolster liquidity and financial flexibility including obtaining new bank facilities, extending facilities maturing before 31 December 2021, obtaining waivers for any financial covenant beaches over the same period raising $1.2 billion of equity
- Throughout the response, the safety of our people, front line workers and the travelling public has been a priority.

Supporting the repatriation of 22,700 stranded passengers …

…through 115 repatriation flights

Response to COVID-19 (cont'd): Phase 1

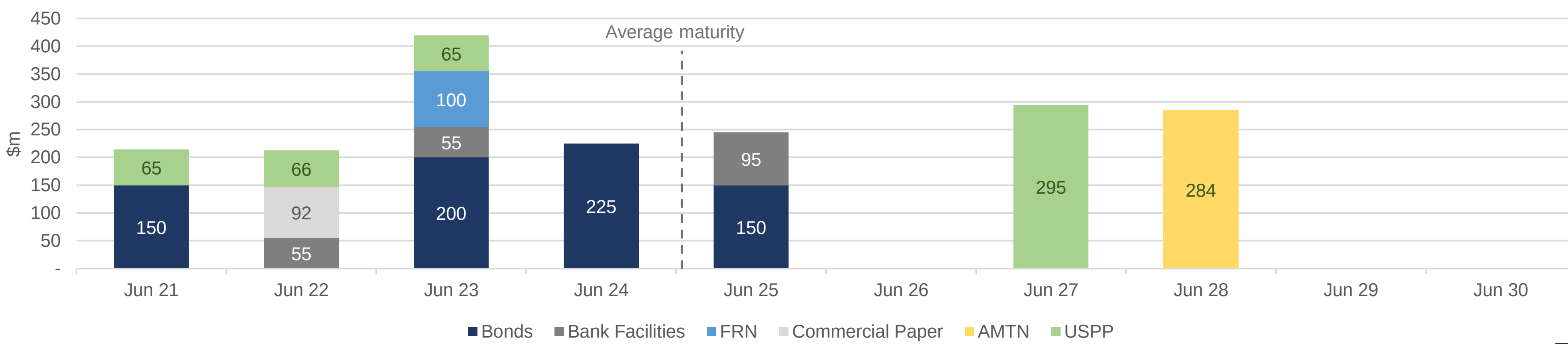
Secured liquidity to support the business

- Extended bank debt maturing in the period to 31 December 2021 until calendar 2022 and 2023
- Obtained waivers from bank lenders and USPP noteholders for any interest coverage and gearing covenant breaches until 31 December 2021 (inclusive)
- $1.2 billion equity raise
- Dividends suspended while covenant waivers in place
- Committed undrawn facility headroom at 30 June of c.$936.3m and $765.3m in available cash
- A- credit rating maintained

Credit metrics and key lending covenants

For the year ended 30 June	Covenant	2020	2019
Gearing[1]	≤ 60%	23.5%	25.9%
Interest coverage[2]	≥ 1.5x	2.62x	5.87x
Debt to enterprise value		19.4%	15.5%
Net debt to enterprise value		12.5%	15.3%
Funds from operations interest cover[3]	2.5x	3.4x	5.4x
Funds from operations to net debt[3]	11.0%	18.6%	18.6%
Weighted average interest cost		3.89%	4.28%
Average debt maturity profile (years)		4.66	4.12
Percentage of fixed borrowings		65.4%	60.1%

Drawn debt maturity profile at 30 June 2020



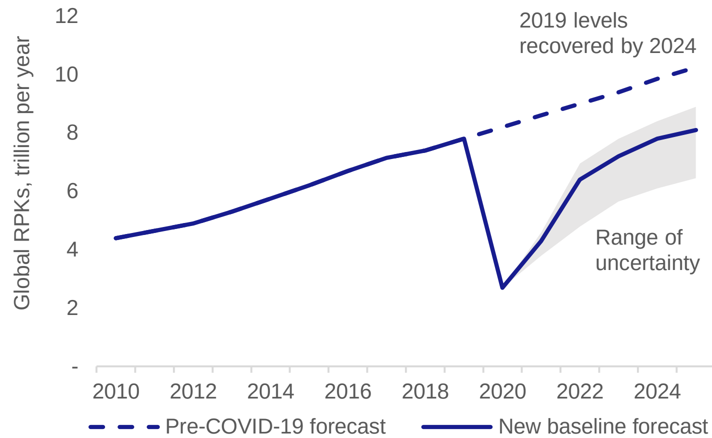
1. Gearing defined as nominal value of debt plus derivative liabilities divided by nominal value of debt plus derivative liabilities plus the book value of equity
2. Interest coverage defined as reported NPAT plus taxation, interest expense, revaluations and derivative changes (broadly EBIT) divided by interest expense
3. S&P A- rating threshold

Position for the recovery: Phase 2

Reposition the business to respond to a recovery in the travel industry

- Measured reduction in Operations allowing operating costs to be minimised whilst enabling a flexible scale up of operations as demand returns
- Working with industry participants, government agencies and airlines to establish a blueprint for safe travel including building travel confidence through safe traveller protocols
- Careful deployment of capital to complete existing projects, build resilience in core aeronautical infrastructure, and invest in commercial property in response to market demand
- Where appropriate, continuing to support airline, retail and property tenants to manage through the disruption of COVID-19
- Whilst early domestic recovery was positive with July 2020 at 61% of FY19 capacity, considerable uncertainty remains following recent change in domestic alert levels and timing of the international recovery

IATA passenger forecast[1]



Source: International Air Transport Association

Work on the Trans-Tasman bubble continues

1. *This graph is provided for illustrative purposes only. Source: © International Air Transport Association, 2020. Five years to return to pre-pandemic level of passenger demand, 30 July 2020. All Rights Reserved.*

Position for a recovery (cont'd): Phase 2

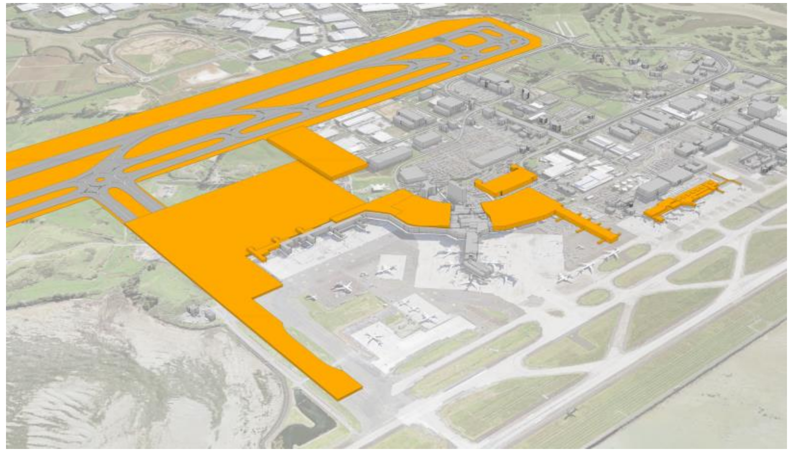
Investing in critical infrastructure when conditions support

- The Auckland Airport Masterplan provides a vision for the development of the airport out to 2044
- Significant progress made in past few years to bring Masterplan to life through large scale development programme – with foundation in the 8 anchor projects
- Pre-COVID-19 Auckland Airport was:

Underway:	Northern stands and taxiways, Northern road network, Domestic terminal works, Park and Ride South;
Enabling:	International Arrivals expansion and the Domestic Jet Hub;
Contracts:	Multi-storey carpark; and
Design:	Northern runway and Cargo precinct

- Masterplan founded on strategy of establishing a plan that is flexible, resilient, affordable, stageable. This remains relevant for future
- Masterplan and core of anchor projects also remain appropriate for future capacity needs but review is underway to retest timing and capacity triggers for projects and establish whether there is a need or opportunity for some changes to simplify execution or gain greater infrastructure/cost efficiency

Key future capacity projects

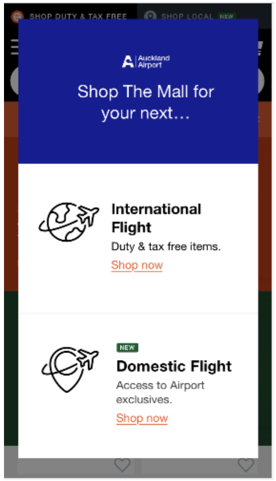


Source: Auckland Airport GIS modelling

Position for a recovery (cont'd): Phase 2

Enhancing the domestic proposition

Domestic Collection Point to be launched



Expansion of the Hellmann Worldwide Logistics facility

- Earlier investments (eg Strata loyalty, online retail) to future proof and scale our consumer business has enabled us to test new channels for retailers post-COVID focusing on domestic market
- Have developed new domestic option for our online channel 'The Mall' to enable contactless/click-and-collect shopping providing customers with access to travel retail exclusive products. Will leverage airport's Strata loyalty programme
- In support we have also launched pop-up tax-paid store for duty free retailers and about to launch a Domestic Collection Point to provide a terminal pick-up point for tax paid goods and a channel to airport retailers outside of terminal

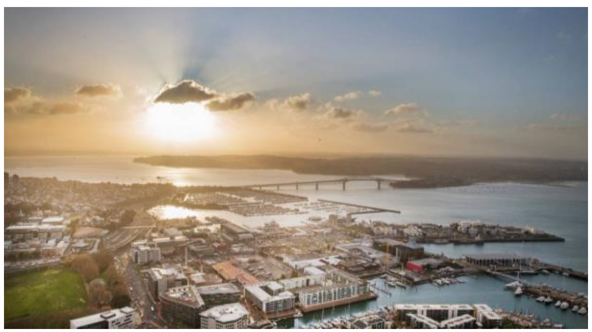
- As an industry leader, our investment property business continues to perform well, offering a range of facilities from offices and hotels to award winning logistics and distribution centres
- With a portfolio heavily focused on new A Grade industrial properties, a WALT of 9.3 years and a 94% occupancy, rental income has remained resilient in the face of COVID-19. Enquiry for new developments has remained strong with construction on three new industrial facilities recently commencing
- Our facility for Endeavour Consumer Health was recently honoured, winning the New Zealand Institute of Architects Commercial Architecture & Resene Colour Awards

Accelerate when normality resumes: Phase 3

Long-term fundamentals remain

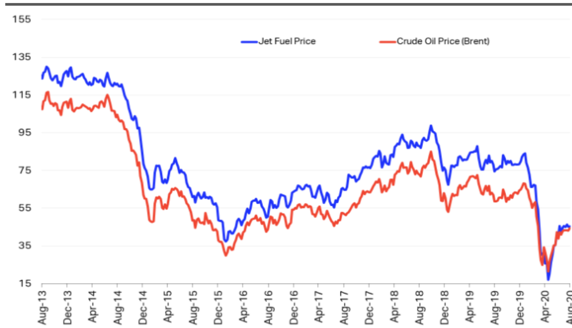
Drivers

Pent up demand for travel and the emerging middle class across the Asia Pacific region



New Zealand and Auckland population growth

Enablers



Jet fuel prices at near historic lows

Next generation aircraft and fleet availability

Attractiveness of New Zealand

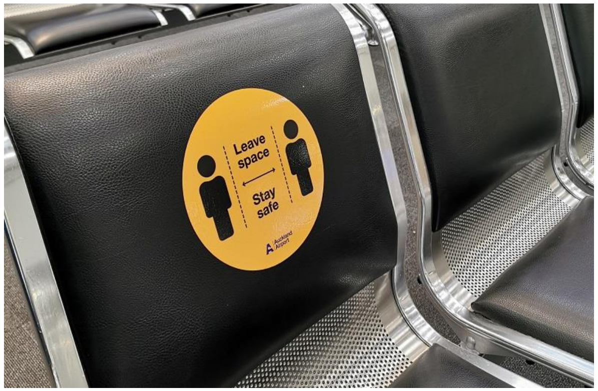
Seen as a safe destination

Government’s $400 million tourism recovery package

Sustainability

We are committed to operating in a safe and sustainable way, creating enduring value for all of our community, Auckland and New Zealand

Safety



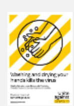
Ensuring the wellbeing of everyone working and travelling through our terminals

- 89% increase in reporting of safety observations and hazards
- 72% reduction in employee recordable injury rate
- 6% reduction in the passenger injury rate

Customer focus

Enhancing processes and investing in infrastructure that enhances the customer experience

- 4.19 Overall ASQ customer satisfaction score improvement in the year driven by terminal upgrades, the highest level since recordings began in 2007[1]



- Implemented safe traveler protocols to ensure the wellbeing of passengers passing through the airport

Environment

Committed to operating in an environmentally sustainable way

- Energy use per PAX down by 19% against our target of 20%
- Waste to landfill per passenger down by 39% against our target of 20%
- CO_2-e emissions per m^2 down by 45% against our target of 45%

Work is underway on a comprehensive update to our sustainability strategy to ensure it is fit for the future

1. Data for Q3 as the 2020 June quarter was not obtained due to the COVID-19 lockdown

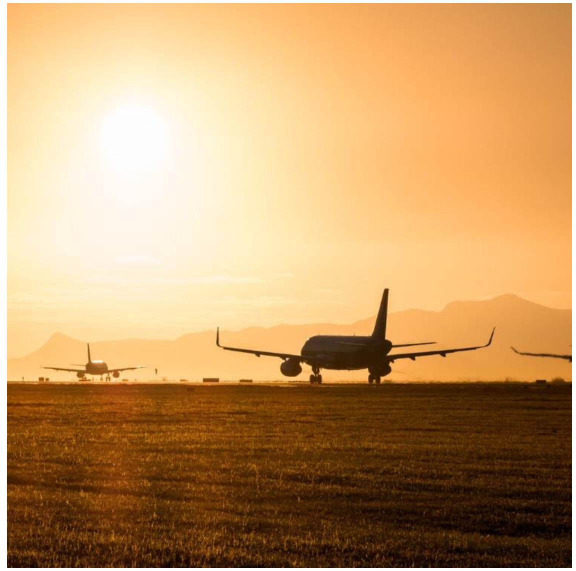
** Against 2012 baseline*

Outlook

Outlook

Guidance

- As we look to the 2021 financial year, we continue to face significant uncertainty relating to the timing of Auckland Airport's recovery. We think the recovery could take longer than IATA's and S&P's current forecasts of a full recovery of international travel in approximately three years. We are hopeful that domestic travel will return to normal comfortably within two years and that short-haul Tasman and Pacific Island travel will resume sometime in 2021, with a full recovery before long-haul international travel returns to normal
- Because of this uncertainty, Auckland Airport has suspended underlying earnings guidance for the 2021 financial year, but will reassess this at the October Annual Meeting and again when the interim results for the 2021 financial year are announced in February next year
- Auckland Airport expects capital expenditure in FY21 of between $250m and $300m including completing existing roading, runway, baggage system and investment property projects
- This guidance is subject to any material adverse events, significant one-off expenses, non-cash fair value changes to property and any deterioration due to global market conditions or other unforeseeable circumstances



Sunset at Auckland Airport

Questions

Appendix: Passenger numbers

For the year ended 30 June	2020	2019	Change
International arrivals	3,948,248	5,284,325	(25.3%)
International departures	3,791,012	5,222,335	(27.4%)
International passengers excluding transits	**7,739,260**	**10,506,660**	**(26.3%)**
Transit passengers	734,686	1,011,328	(27.4%)
Total international passengers	**8,473,946**	**11,517,988**	**(26.4%)**
Domestic passengers	7,047,108	9,593,625	(26.5%)
Total passengers	**15,521,054**	**21,111,613**	**(26.5%)**

- Total passenger volumes fell 26.5% as a result of the COVID-19 outbreak and the travel restrictions imposed from mid-March 2020 onwards
- International passengers decreased by 26.4% versus FY20, albeit July-February passenger volumes tracked in line with the previous financial year, with new or enhanced services launched to Vancouver, Seoul, New York and Dallas Fort Worth
- Domestic passenger volumes decreased by 26.5% versus FY20. July-February domestic passenger volumes were slightly below the prior period driven by capacity reductions on main trunk routes and Jetstar’s withdrawal from regional services in December 2019

Appendix: Aircraft movements and MCTOW

For the year ended 30 June	2020	2019	Change
Aircraft movements			
International aircraft movements	44,962	57,082	(21.2%)
Domestic aircraft movements	94,175	121,689	(22.6%)
Total aircraft movements	**139,137**	**178,771**	**(22.2%)**
MCTOW (tonnes)			
International MCTOW	4,669,929	5,894,112	(20.8%)
Domestic MCTOW	1,830,711	2,372,412	(22.8%)
Total MCTOW	**6,500,640**	**8,266,524**	**(21.4%)**

- International aircraft movements and MCTOW declined by 21.2% and 20.8% respectively. This was slightly lower than the reduction in passenger volumes, as load factors decreased in response to COVID-19
- Domestic aircraft movements and MCTOW decreased by 22.6% and 22.8% respectively. Even before the COVID-19 outbreak, domestic aircraft movements and MCTOW were slightly down on the previous year following capacity reductions on main trunk routes and Jetstar’s withdrawal from regional services in December 2019

Appendix: Associates' performance

For the year ended 30 June ($m)	2020	2019	Change
Queenstown Airport (24.99% ownership)			
Total Revenue	46.7	49.6	(5.8%)
EBITDA	31.3	34.3	(8.7%)
Underlying Earnings (Auckland Airport share)	4.5	4.1	9.8%
Domestic Passengers	1,287,072	1,665,397	(22.7%)
International Passengers	583,219	655,950	(11.1%)
Aircraft movements	14,762	17,734	(16.8%)
Novotel Tainui Holdings (50.00% ownership)			
Total Revenue	29.8	30.3	(1.7%)
EBITDA	10.2	11.5	(11.3%)
Underlying Earnings (Auckland Airport share)	4.7	4.1	14.6%
Average occupancy	87.3%[1]	93.1%	
Average room rate increase	(1.0%)	(0.8%)	

- Auckland Airport's share of both Queenstown Airport's and the Novotel Hotel's underlying profits rose in FY20, despite significant reductions at EBITDA level
- This reflected mainly the deferred tax benefit at Queenstown Airport from the reintroduction of tax depreciation on building structures and the increase in Auckland Airport's shareholding in the Novotel Hotel from 40% to 50%

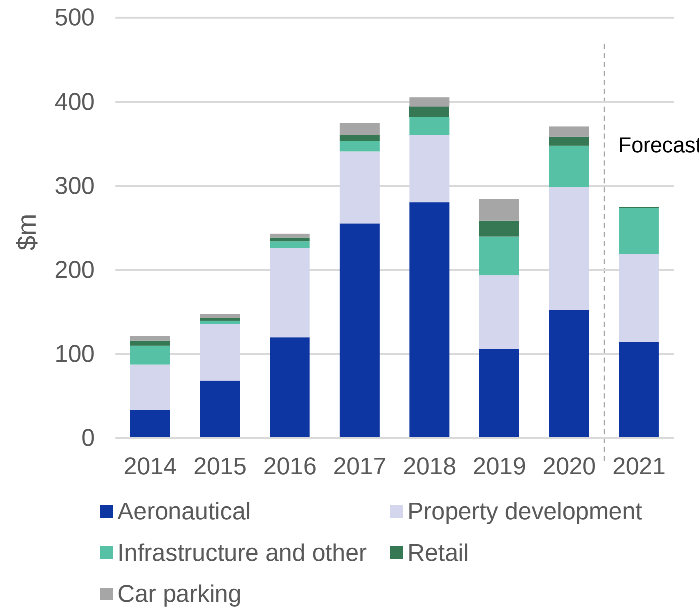
1. Occupancy reduced in the fourth quarter after the Novotel Hotel became solely occupied by the Ministry of Health

Appendix: Capital expenditure update

Refocusing of the capital expenditure programme

- FY20 capital expenditure additions were $371m (net of $62m capex write-offs and impairments), 30% up on FY19 and reflecting the significant investment in undertaken on key aeronautical projects including:
  - construction of new taxiways and remote stands;
  - construction of the expansion to the airport's northern road network;
  - design and enabling activity for the expansion of the Arrivals biosecurity area and international terminal forecourt; and
  - design and enabling activity for the expansion of the arrivals and Domestic Jet Facility
- Significant investment continued in the airport's investment property portfolio including the ongoing construction of the Foodstuffs office and distribution facility and warehouses for DHL and Hellmann Worldwide Logistics
- Focus in FY21 is on completing existing roading infrastructure projects, delivering core airfield renewals including runway slab replacements, renewal of terminal lighting and fire systems, upgrades to the baggage handling system and pre-leased property development

Historical and forecast capital expenditure



Appendix: Underlying profit reconciliation

For the year ended 30 June ($m)	2020			2019		
	Reported profit	Adjustments	Underlying profit	Reported profit	Adjustments	Underlying profit
EBITDAFI per Income Statement[1]	**260.4**	**-**	**260.4**	**554.8**	**-**	**554.8**
Investment property fair value increase	168.6	(168.6)	-	254.0	(254.0)	-
Property, plant and equipment revaluation	(45.9)	45.9	-	(3.8)	3.8	-
Fixed asset write-offs, impairments and termination costs	-	117.5	117.5	-	-	-
Derivative fair value movement	(1.9)	1.9	-	(0.6)	0.6	-
Share of profit of associates and joint ventures	8.4	0.8	9.2	8.2	-	8.2
Impairment of investment in joint venture	(7.7)	-	(7.7)	-	-	-
Depreciation	(112.7)	-	(112.7)	(102.2)	-	(102.2)
Interest expense and other finance costs	(71.8)	-	(71.8)	(78.5)	-	(78.5)
Taxation expense	(3.5)	(2.9)	(6.4)	(108.4)	0.8	(107.6)
Profit after tax	**193.9**	**(5.4)**	**188.5**	**523.5**	**(248.8)**	**274.7**

- We have made the following adjustments to show underlying profit after tax for the years ended 30 June 2020 and 2019:
  - We have reversed out the impact of revaluations of investment property in 2020 and 2019. An investor should monitor changes in investment property over time as a measure of growing value. However, a change in one particular year is too short to measure long-term performance. Changes between years can be volatile and, consequently, will impact comparisons. Finally, the revaluation is unrealised and, therefore, is not considered when determining dividends in accordance with the dividend policy;
  - Consistent with the approach to revaluations of investment property, we have also reversed out the revaluation of the land, infrastructure, and runways, taxiways and aprons classes of assets within property, plant and equipment for the 2020 financial year and the building and services class of assets within property, plant and equipment for the 2019 financial year. The fair value changes in property, plant and equipment are less frequent than are investment property revaluations, which also makes comparisons between years difficult;
  - We have reversed out the impact of fixed asset project write-offs, impairments and termination costs for the 2020 financial year. In response to the COVID-19 outbreak, some capital expenditure projects were abandoned and fully written off and others were suspended. Some of these abandoned or suspended projects incurred contractor termination costs. The abandonment or suspension of live capital expenditure projects is extremely rare and is the direct consequence of COVID-19. These fixed asset write-off costs, impairments and termination costs are not considered to be an element of the group's normal business activities and on this basis have been excluded from underlying profit;
  - We have also reversed out the impact of derivative fair value movements. These are unrealised and relate to basis swaps that do not qualify for hedge accounting on foreign exchange hedges, as well as any ineffective valuation movements in other financial derivatives. The group holds its derivatives to maturity, so any fair value movements are expected to reverse out over their remaining lives. Further information is included in note 18(b) of the financial statements;
  - In addition, we have adjusted the share of profit of associates and joint ventures in 2020 to reverse out the impacts on those profits from revaluations of investment property and financial derivatives; and
  - We have also reversed out the taxation impacts of the above movements in both the 2020 and 2019 financial years.

1. EBITDAFI includes $117.5 million relating to fixed asset project write-offs, impairments and termination costs

Glossary

AMTN	Australian medium term notes
ARPS	Average revenue per parking space
ASQ	Airport Service Quality
EBITDAFI	Earnings before interest, taxation, depreciation, fair value adjustments and investments in associates
GBMD	George Bolt Memorial Drive
MCTOW	Maximum certified take off weight
MOT	Ministry of Transport
NPAT	Net profit after tax
PAX	Passenger
PSR	Passenger spend rate
USPP	United States Private Placement
WALT	Weighted average lease term