Auckland Airport

Interim Results Presentation

20 February 2020

Adrian Littlewood
Chief Executive

Philip Neutze
Chief Financial Officer

Disclaimer

Disclaimer

This presentation is given on behalf of Auckland International Airport Limited (NZX: AIA; ASX: AIA; ADR: AUKNY). Information in this presentation:

- is provided for general information purposes only, and is not an offer or invitation for subscription, purchase, or recommendation of securities in Auckland International Airport Limited (Auckland Airport);
- should be read in conjunction with, and is subject to, Auckland Airport's unaudited Interim Financial Statements for the six months ended 31 December 2019, prior annual and interim reports and Auckland Airport's market releases on the NZX and ASX;
- includes forward-looking statements about Auckland Airport and the environment in which Auckland Airport operates which are subject to uncertainties and contingencies outside of Auckland Airport's control. Auckland Airport's actual results or performance may differ materially from these statements;
- includes statements relating to past performance, which should not be regarded as a reliable indicator of future performance; and
- may contain information from third parties believed to be reliable; however, no representations or warranties are made as to the accuracy or completeness of such information.

All information in this presentation is current at the date of this presentation, unless otherwise stated. Auckland Airport is not under any obligation to update this presentation at any time after its release, whether as a result of new information, future events or otherwise.

All currency amounts are expressed in New Zealand dollars unless otherwise stated and figures, including percentage movements, are subject to rounding.

Refer page 34 for a glossary of the key terms used in this presentation.

Highlights


Tour group area
Media centre
Ground transport
Domestic terminal

Interim results at a glance

Revenue	EBITDAFI	Underlying profit[1]	Profit after tax
$374.7m	$279.2m	$139.9m	$147.2m
▲ 1.1%	▲ 0.8%	▲ 2.2%	▶ unchanged

Passenger movements	Capital investment	Operating cashflow	Underlying earnings per share
10.6m	$230.8m	$169.0m	11.5c
▼ 0.5%	▲ 74.4%	▲ 9.0%	▲ 0.9%

[1] *The reconciliation between underlying and net profit can be found on page 33.*

Diversified, resilient and growing revenues

Aeronautical

$151.9m revenue (3.6%)

New direct routes to Seoul and Vancouver. Moderating PAX growth:

(0.1%) International

(1.2%) Domestic

2.7% Transits

Retail

$113.6m revenue 2.5%

Solid, resilient income growth and diversification:

$20.42 income per passenger

4.6% uplift in international PSR

28% increase in off airport sales

Transport

$34.3m revenue 4.3%

Capacity led revenue growth reflecting strong demand:

8.1% increase in capacity[1]

(3.6%) ARPS decrease

Property

$45.9m revenue 6.0%

Accelerating momentum:

$300m+ under construction

$105m rent roll

99.4% occupancy

Hotels

$20.9m revenue[2] 5.5%

Increasing demand:

~96% occupancy

2% uplift in average room rate

Queenstown

$29.1m revenue 15.0%

Strong passenger growth:

17.1% International

1.3% Domestic

[1] Based on average number of spaces in 1H FY20 compared with 1H FY19
[2] Includes ibis Budget Hotel and 100% of Novotel Hotel revenues

Coronavirus (Covid-19) is evolving quickly

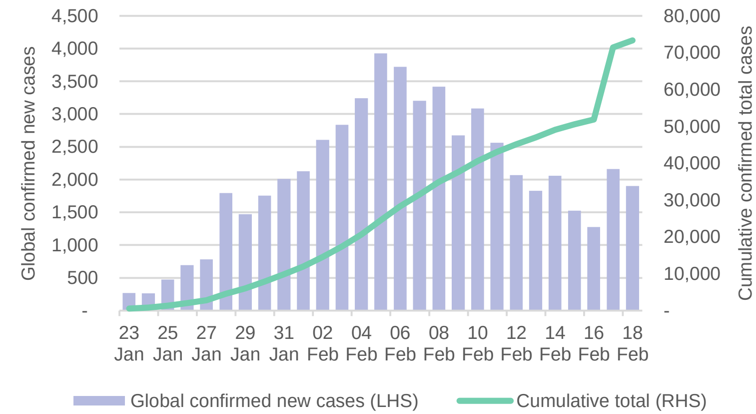
Covid-19 presents a challenge to the industry

- The recent Covid-19 outbreak is impacting the tourism industry across the globe as travel restrictions and reductions in airline capacity reduce travel
- Given the evolving nature of the Covid-19 situation, it is difficult to estimate the impact on tourism across the region, New Zealand and as the country's primary gateway, ultimately Auckland Airport
- The impact of previous pandemic outbreaks has typically been short term, followed by a strong rebound

Covid-19 impact on Auckland Airport to date

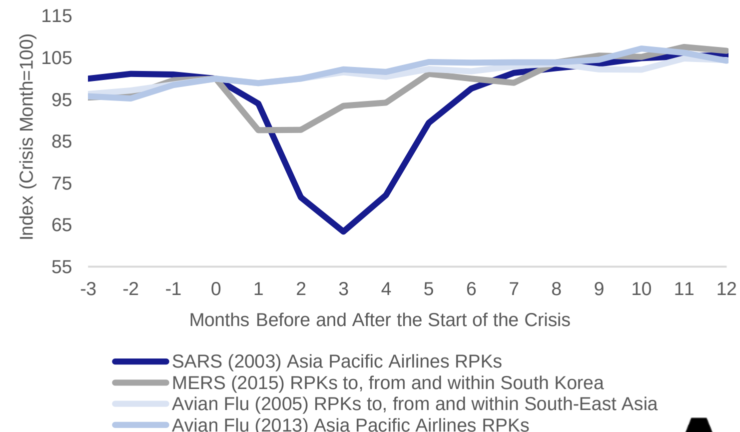
- Chinese New Year largely followed historic trends
- We are now seeing an impact on passenger numbers with capacity to/from China reduced following travel restrictions. Currently 8-11 services per week to/from China (normally up to 45)
- Passenger volumes excluding China are largely following summer peak trends, but we are staying in close contact with our airline partners who are seeing some signs of softer forward bookings
- We are working closely with our airline partners and Tourism New Zealand to support key markets and to help ensure a strong rebound in China after Covid-19

Covid-19 confirmed cases by date



Source: World Health Organisation Situation Reports. Effective 17 February, 'confirmed' cases include both laboratory-confirmed as previously reported, and clinically diagnosed

Impact of previous pandemic outbreaks on aviation



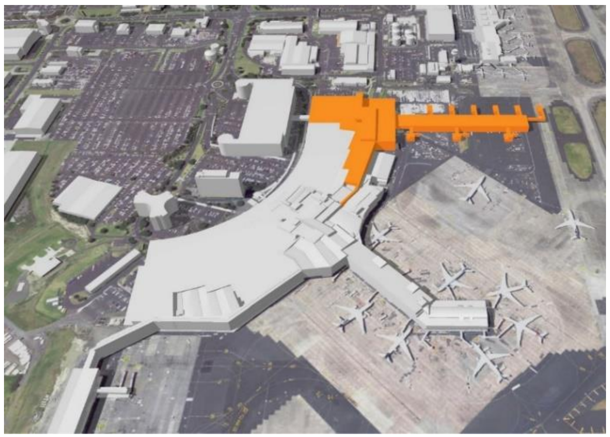
Source: IATA

Substantial investment underway

Airfield expansion and redevelopment – stands and taxiways

Northern road network (artists impression)

New international arrivals area render



Indicative location of new Domestic Jet Hub

Mercure hotel render, new 4 star hotel within the Quad

Foodstuffs facility under construction

Outlook and guidance

Profit guidance[1]

- Covid-19 impact on FY20 underlying profit is uncertain. Current forecast is approximately $10m after tax impact in 2H FY20 over both aeronautical and non-aeronautical revenues. Assumes increasing impacts over March/April and a gradual recovery over May/June
- Prior to Covid-19 outbreak, guidance unchanged. We now expect FY20 underlying NPAT (excluding any fair value changes and other one-off items) to be between $260m and $270m
- Dividend policy unchanged
- High-level Covid-19 assumptions:
  - greatest impact on direct passengers to/from China from February 2020, with a gradual recovery over May/June 2020
  - lower, albeit still significant reduction in passengers from other countries previously transiting through China airports
  - other Asian direct routes down too, but a smaller impact
  - some flow on to New Zealand domestic travel
- We will continue to monitor developments over the remainder of FY20 and update guidance if actual outcomes differ materially from our current assumptions

Capex guidance[1]

- We continue to expect total capital expenditure in FY20 of between $450m and $550m and commissioned capex for PSE3 is forecast to be broadly consistent with the original circa $1.5bn aeronautical pricing forecasts

[1] 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

Financial performance

Revenue and EBITDA growth continues

For the six months ended 31 December ($m)	2019	2018	Change
Revenue	374.7	370.6	1.1%
Expenses	95.5	93.5	2.1%
Earnings before interest, taxation, depreciation, fair value adjustments and investments in associates (EBITDAFI)	**279.2**	**277.1**	**0.8%**
Share of profit from associates	5.0	4.3	16.3%
Derivative fair value (decrease)/increase	(0.4)	0.2	N/a
Investment property revaluation	9.1	11.1	(18.0%)
Depreciation expense	55.4	50.0	10.8%
Interest expense	34.7	40.1	(13.5%)
Taxation expense	55.6	55.4	0.4%
Reported profit after tax	**147.2**	**147.2**	**0.0%**
Underlying profit after tax*	**139.9**	**136.9**	**2.2%**

** A reconciliation between reported profit after tax and underlying profit after tax can be found on page 33.*

Revenue growth driven by non-aeronautical

For the six months ended 31 December ($m)	2019	2018	Change
Airfield income	60.8	64.3	(5.4)%
Passenger services charge	91.1	93.3	(2.4)%
Retail income	113.6	110.8	2.5%
Car park income	34.3	32.9	4.3%
Investment property rental income	45.9	43.3	6.0%
Other rental income	11.1	10.0	11.0%
Other income	17.9	16.0	11.9%
Total revenue	**374.7**	**370.6**	**1.1%**

- Aeronautical income fell 3.6% reflecting the reduction in aeronautical prices associated with a 6.62% target return for PSE3 coming into effect from 1 July 2019 (6.99% previously), combined with lower passenger numbers as a result of reduced seat capacity
- Retail income increased by 2.5% driven by steady growth in terminal income and double-digit growth from the Collection Point and Strata Lounge
- Parking revenue grew 4.3% reflecting continuing, growing demand for higher margin / premium products such as Valet, and increased capacity
- Investment property rental income growth of 6.0% was largely driven by the completion of new assets in the first six months of the year and strong rental growth in the existing portfolio

Passenger numbers moderating after multi-year growth

For the six months ended 31 December	2019	2018	Change
International arrivals	2,715,217	2,724,021	(0.3%)
International departures	2,574,181	2,570,486	0.1%
International passengers excluding transits	**5,289,398**	**5,294,507**	**(0.1%)**
Transit passengers	547,448	533,200	2.7%
Total international passengers	**5,836,846**	**5,827,707**	**0.2%**
Domestic passengers	4,757,573	4,816,706	(1.2%)
Total passengers	**10,594,419**	**10,644,413**	**(0.5%)**

- Total passenger numbers fell 0.5% driven by reduced seat capacity on both domestic and international services
- International passengers (excl. transits) decline of 0.1% reflects a reduction in airline capacity driven by Air Asia X and Hong Kong Airlines exits during February 2019 and May 2019 respectively
- Domestic passenger volumes decreased by 1.2% driven by capacity reductions on both main trunk and regional services by both main carriers, including Jetstar's regional exit on 1 December 2019
- Transit passengers were up 2.7% reflecting growth in transiting passengers between Asia and the Pacific Islands and a rebound in passengers transiting between Australia and the Americas

Lower aircraft movements and MCTOW in the period

For the six months ended 31 December	2019	2018	Change
Aircraft movements			
International aircraft movements	28,616	29,101	(1.7%)
Domestic aircraft movements	59,974	61,776	(2.9%)
Total aircraft movements	**88,590**	**90,877**	**(2.5%)**
MCTOW (tonnes)			
International MCTOW	2,914,921	3,003,550	(3.0%)
Domestic MCTOW	1,168,864	1,203,153	(2.8%)
Total MCTOW	**4,083,785**	**4,206,703**	**(2.9%)**

- 1.7% decline in international aircraft movements was less than the 3.0% decline in international MCTOW, mainly driven by the withdrawal of Air Asia X on the Tasman being backfilled by smaller aircraft
- Domestic aircraft movements decreased 2.9% in the year in line with Domestic MCTOW, reflecting the reduced frequency of main trunk and regional services

Prudent opex management

For the six months ended 31 December ($m)	2019	2018	Change
Staff	30.6	29.8	2.7%
Asset management, maintenance and airport operations	42.5	38.6	10.1%
Rates and insurance	8.9	7.9	12.7%
Marketing and promotions	5.6	5.5	1.8%
Professional services and levies	2.8	4.9	(42.9%)
Other	5.1	6.8	(25.0%)
Total operating expenses	**95.5**	**93.5**	**2.1%**
Depreciation	55.4	50.0	10.8%
Interest	34.7	40.1	(13.5%)

- Total opex growth for the period fell to 2.1% compared with 6.3% in FY19, 13.6% in 1H FY19 and 13.6% in FY18
- Staff costs rose 2.7% reflecting additional headcount in Operations, partly offset by more staff time associated with the capital delivery programme
- Asset management, maintenance and operations expenses increased by 10.1%
- Rates and insurance grew by 12.7% reflecting higher capital value and floor area increases
- Professional services and levies reduced 42.9% with greater use of internal resources and less outsourcing to external consultants
- Interest expense fell 13.5% reflecting lower average rates and higher capitalised interest

Associates' performance

For the six months ended 31 December ($m)	2019	2018	Change
Queenstown Airport (24.99% ownership)			
Total Revenue	29.1	25.3	15.0%
EBITDA	20.4	17.4	17.2%
Underlying Earnings (Auckland Airport share)	2.7	2.1	28.6%
Domestic Passengers	840,628	829,957	1.3%
International Passengers	417,111	356,153	17.1%
Aircraft movements	9,592	9,086	5.6%
Novotel Tainui Holdings (50.00% ownership)[1]			
Total Revenue	16.1	15.4	4.5%
EBITDA	6.1	5.8	5.2%
Underlying Earnings (Auckland Airport share)	2.3	2.1	9.5%
Average occupancy	95.9%	91.8%	4.1%
Average room rate increase	0.3%	2.4%	

[1] Novotel ownership increased from 40% to 50% on 31 October 2019

Capital expenditure

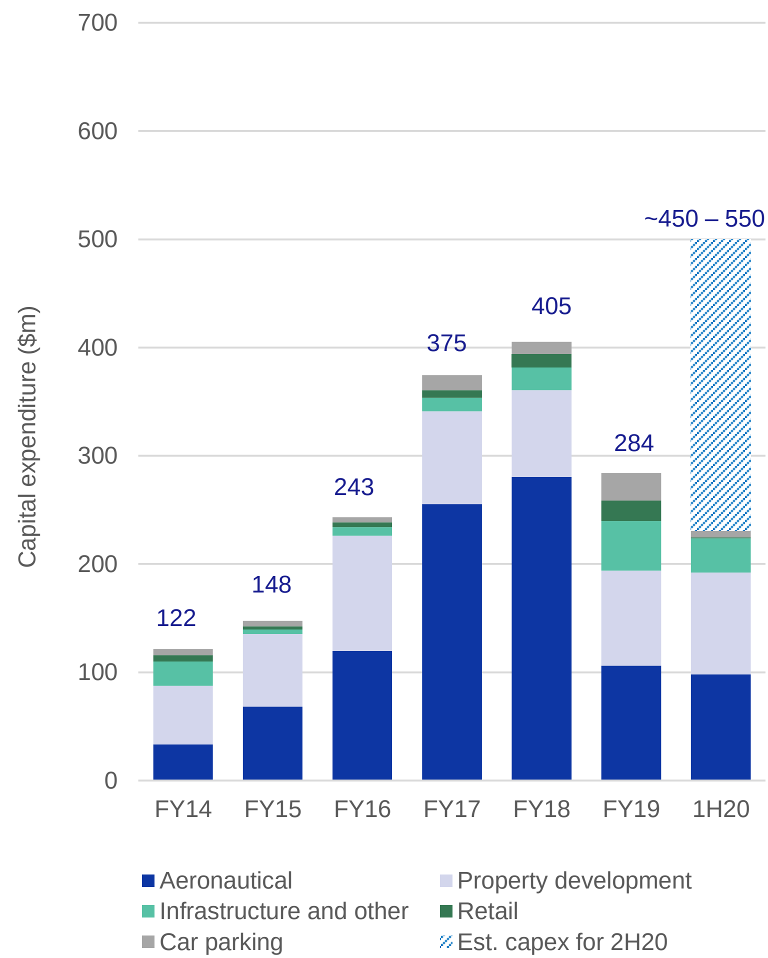
Significant increase in capital spend in 1H FY20

- Capital spend of $230.8m in the first half of FY20, up 74% on the first half of FY19
- Key aeronautical projects undertaken in the period include:
  - northern stands and taxiways;
  - design and enabling activity for the expansion of the arrivals biosecurity area and international terminal forecourt; and
  - design and enabling for the new Domestic Jet Hub
- Non-aeronautical capital expenditure focused on investment property (Foodstuffs, warehouse facility, Mercure hotel) and transport infrastructure across the northern and southern road networks

Capital planning

- Updated framework for reviewing long-term capital expenditure programme in conjunction with key stakeholders
- Developed a "Risk-Adjusted Capital Plan" methodology to help long term planning and enhance performance monitoring

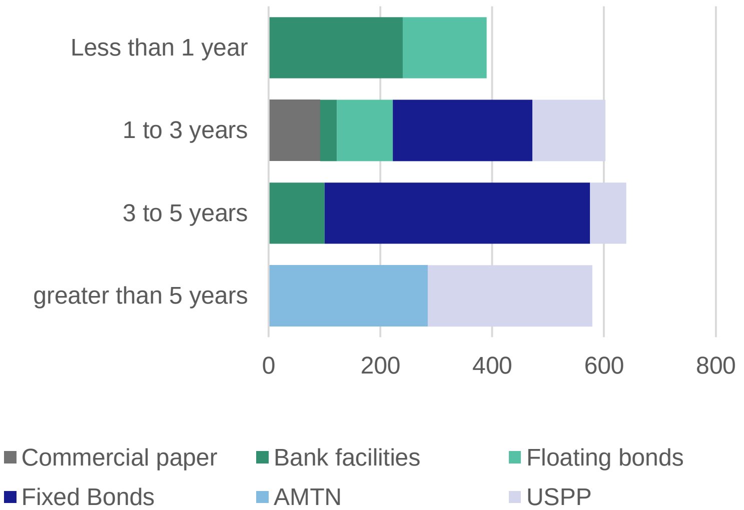
Historical capital expenditure



Funding position

- Total borrowings at 31 December increased to $2,376m, up 8.5% versus 30 June
- Committed undrawn facility headroom at 31 December of c.$283.9m
- Committed to our A- credit rating
- Dividend policy of paying ~100% of underlying NPAT
- Dividend reinvestment plan remains in place for the FY20 interim dividend and offered at a 2.5% discount to market price
- Considering New Zealand and Australian debt issue(s) in the second half of the financial year

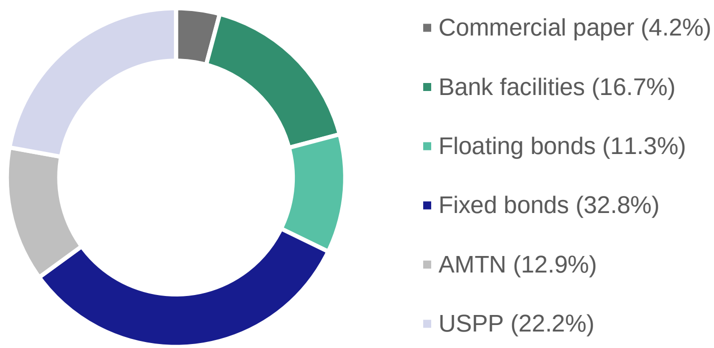
Drawn debt maturity profile



Credit metrics

For the period ended	Dec 2019	Jun 2019
Debt/Debt + market value of equity	18.4%	15.5%
Funds from operations interest cover	5.5	5.4
Funds from operations to net debt	17.5%	18.6%
Weighted average interest cost	3.94%	4.28%
Average debt maturity profile	3.80	4.12
Percentage of fixed borrowings	56.1%	60.1%

Sources of funding



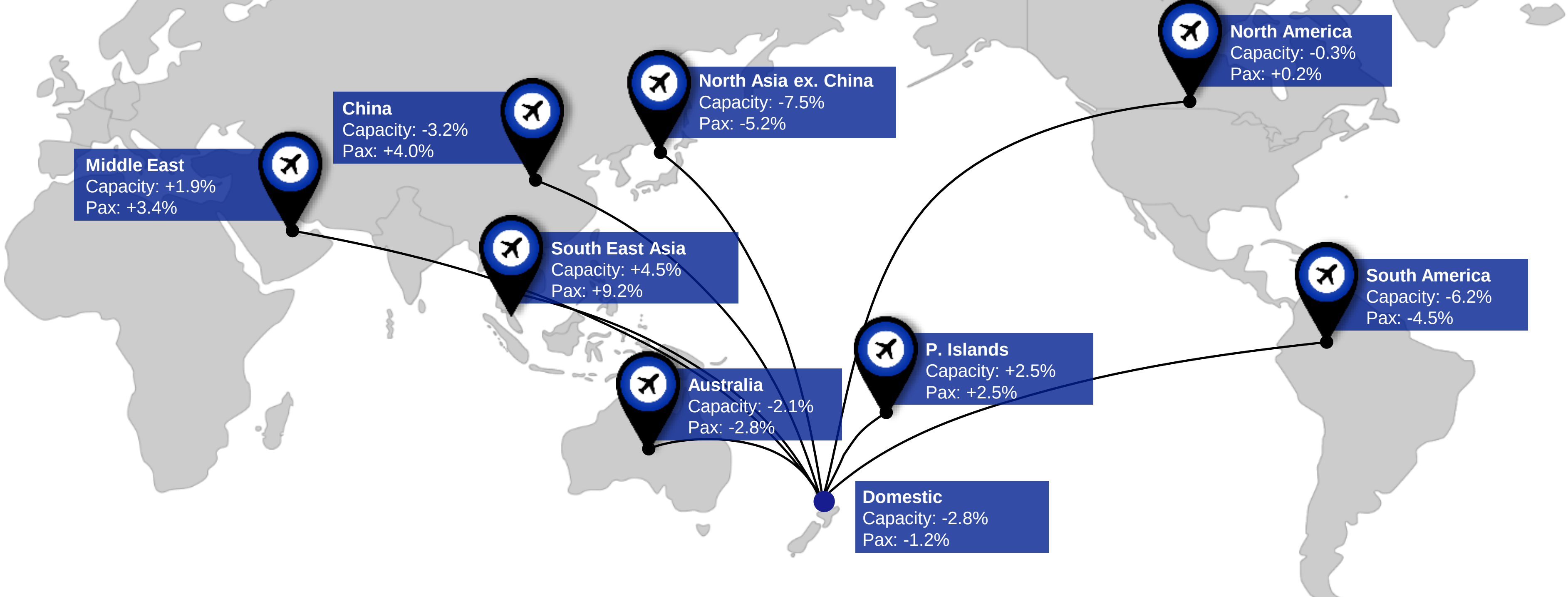
Our continuing journey

Strategic priority:

Growing travel and trade markets

Capacity constraints have led to strengthening load factors[1]

	Capacity	Passengers
Domestic	-2.8%	-1.2%
International	-1.1%	-0.1%
Total ex Transits	-1.9%	-0.6%

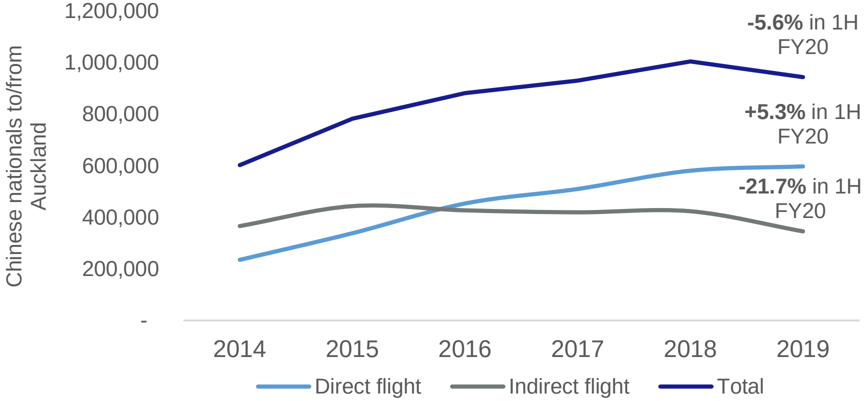


- Domestic market capacity constrained leading to increased load factors
- New international routes to Vancouver and Seoul added in late 2019 and new routes to North America announced
- Pockets of market softness and global aircraft reliability issues, but load factors and fares are strengthening

[1] *This analysis shows growth into geographic markets. This will differ to passenger flows by country of last permanent residence. Data is for the six months ended 31 December 2019*

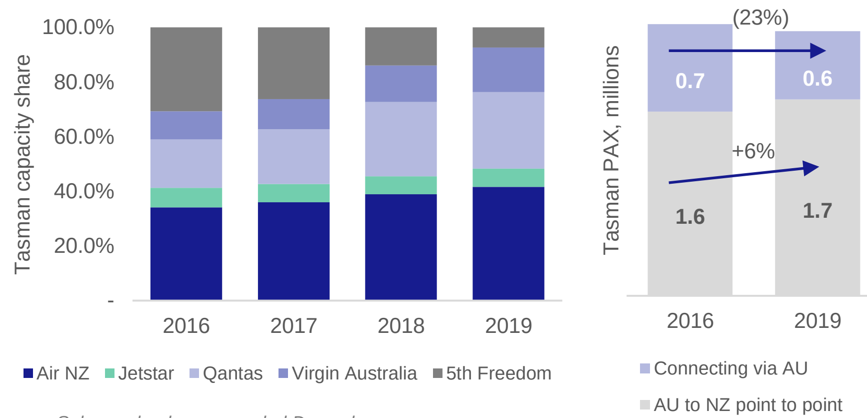
Growing travel and trade markets

China direct passenger growth while indirect slows (pre Covid-19)



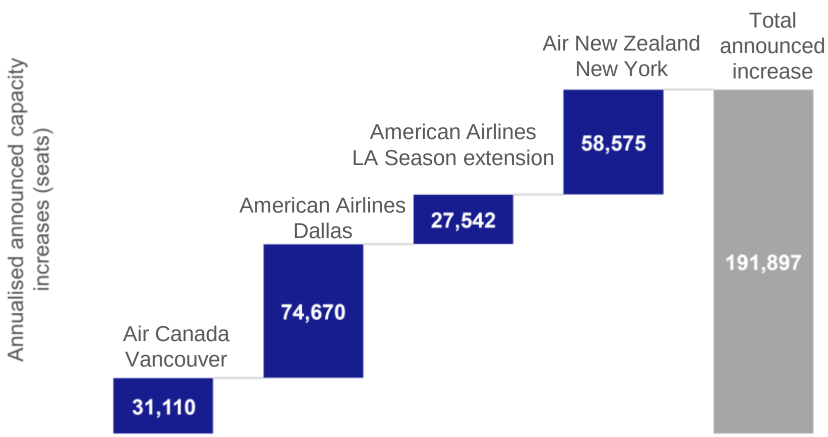
Source: Auckland Airport data, chart shows calendar year ended December

Australia changing airline partnerships and fewer indirect PAX



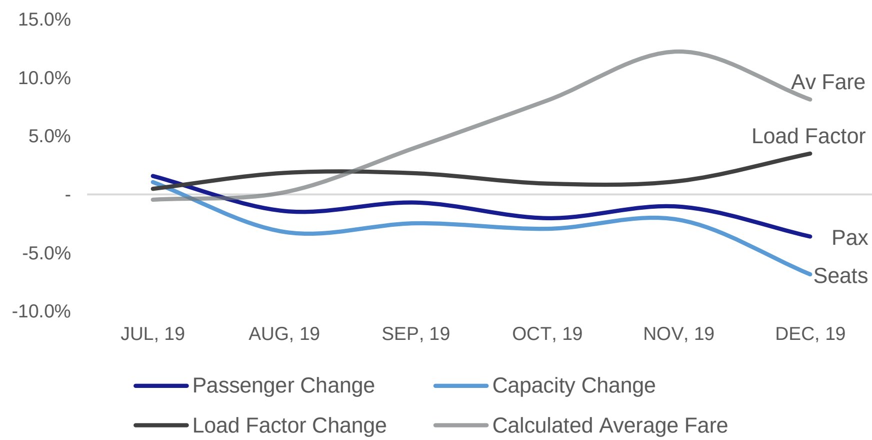
Source: Sabre, calendar year ended December

North America new routes and capacity



Source: Auckland Airport data

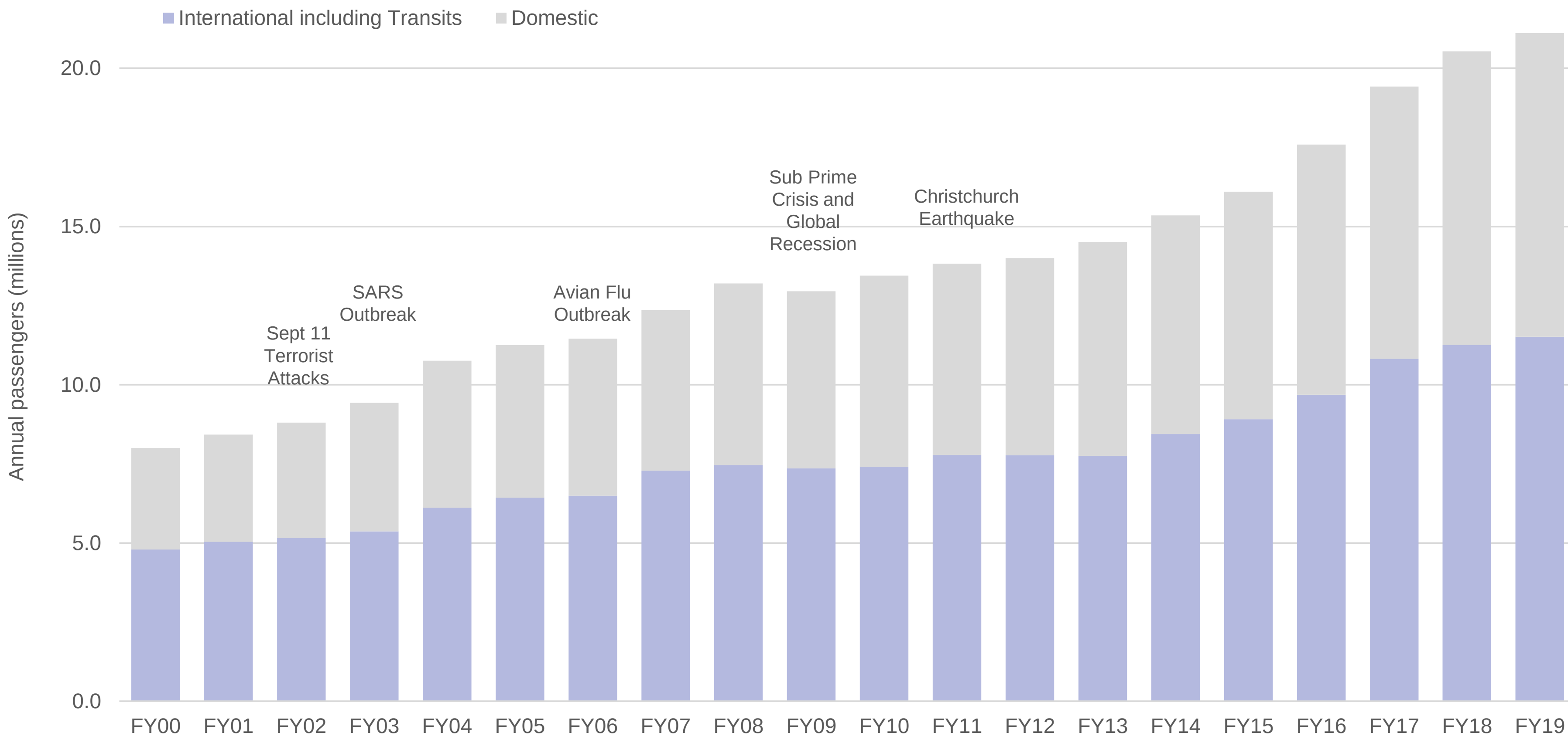
Underlying domestic demand is solid



Source: Auckland Airport, Infare data

Resilient long term passenger growth

The long term fundamentals of travel and trade markets are strong

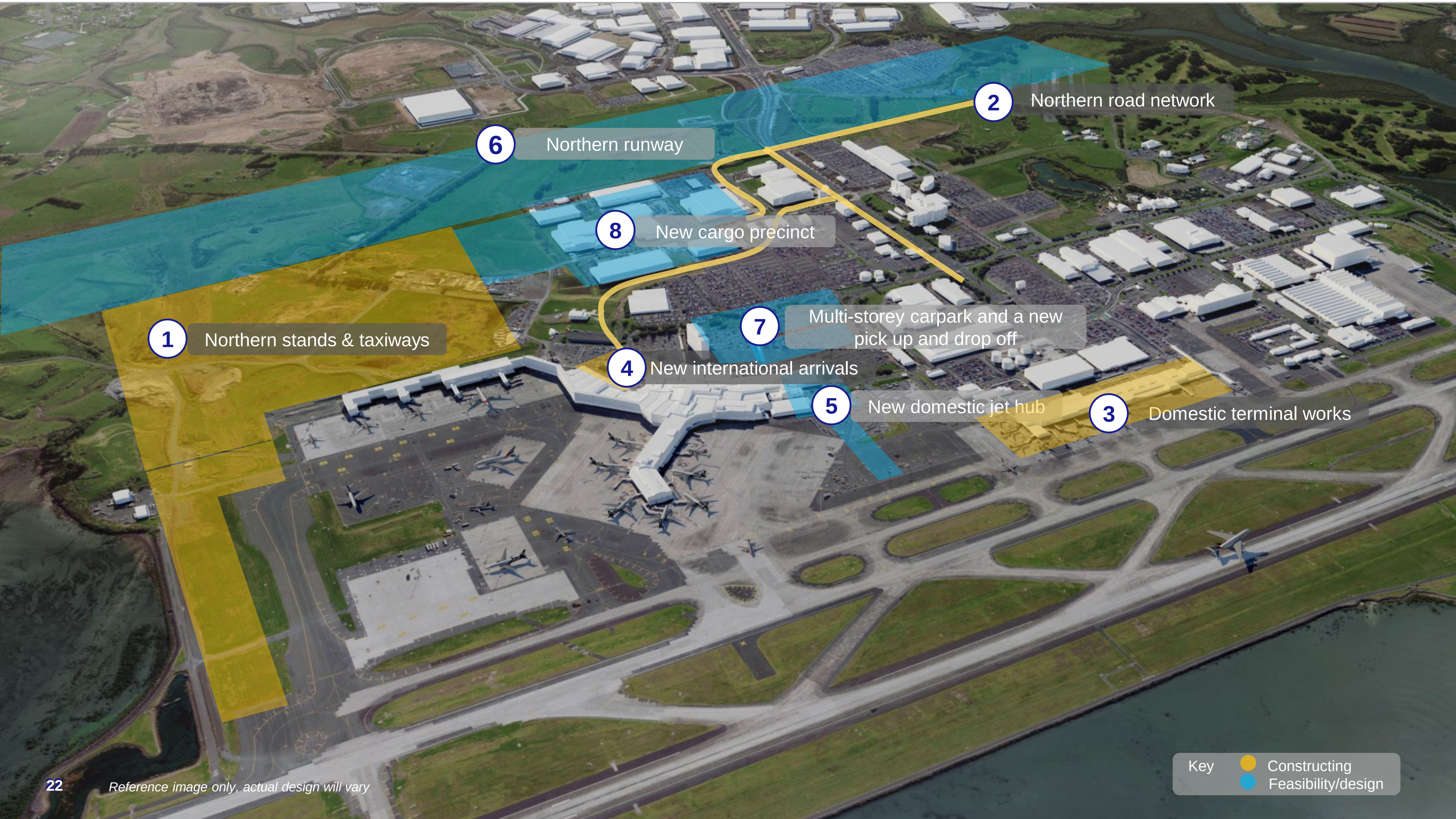


- Passenger growth of 5.2% CAGR since FY2000 demonstrates resilience to global economic weakness and other external shocks

Strategic priority:

Invest for future growth

Four anchor projects are now in execution phase



Reference image only, actual design will vary

Strategic priority:
Invest for future growth

Substantial work is underway on our anchor projects

1 Northern stands and taxiways

- Construction is now underway on two new taxiways and six remote aircraft stands covering more than 250,000m^2
- Investing $350 million-plus on this key airfield project
- Taxiways are on-track to be operational in 2020
- Remote aircraft stands on-track to be operational in late 2021

2 Northern road network

- Work began on roading project transforming the main entranceway into the airport
- Makes access more reliable and resilient
- On-track to be operational in mid-2021

3 Domestic terminal works

- Work continues with the foodcourt and security area expanded in the first half of the financial year

Breaking ground on the new taxiway and remote stands


Artists impression of enhanced northern roading network

Refreshed Domestic Terminal food offering

Invest for future growth

4 $350 million-plus international arrivals anchor project underway

- Agreed key elements in collaboration with border agencies and airlines. Appointed Hawkins as contractor
- Enabling works began in September 2019, with vertical construction commencing mid-2020
- Will create a uniquely New Zealand welcome for our international arrivals at Auckland Airport, through an efficient and effective border processing zone
- Our commitment to playing a part in protecting New Zealand's borders includes:
  - over 30,000m^2 of new space immediately adjacent to the existing Arrivals process area
  - increased space for MPI and other Joint Border Agencies, enabling future technology and border process upgrades
  - 50% greater peak hour passenger MPI throughput
  - position of new facility avoids significant disruption to existing operations through construction
- Planned completion in late 2023

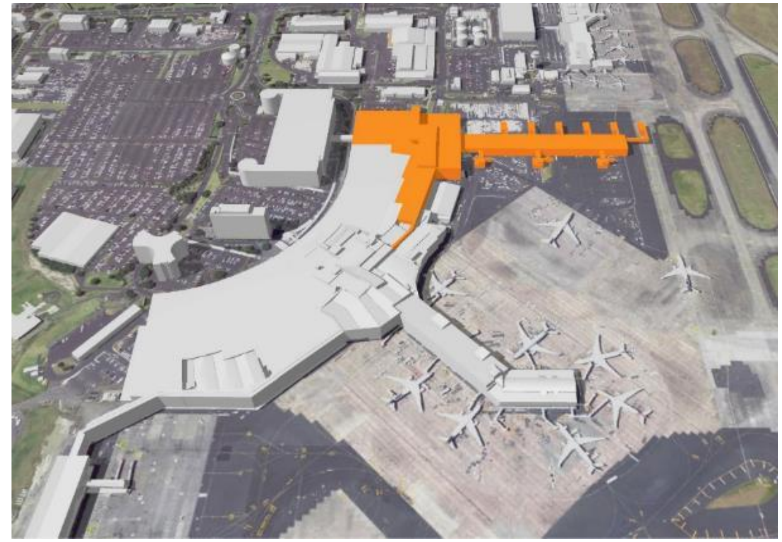
Artist impression of new international arrivals hall

Artist impression of international arrivals façade

Strategic priority:
Invest for future growth

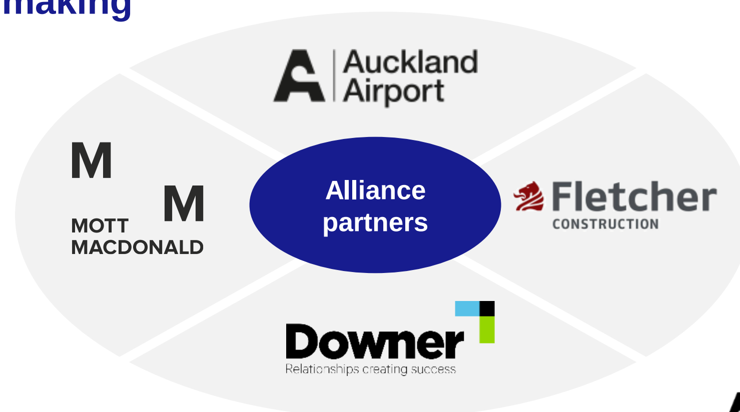
5 New Domestic Jet Hub progress in the first six months

- Design, procurement and costing work progressing on this $1 billion-plus development. Responding to customer requirements and securing agreements with the best partners in New Zealand to work with us
- Forming a project alliance with design consultant and contractors
  - shifted away from traditional procurement practices to a vertical construction alliance
  - creates a team with joint accountability and aligned incentives
  - provides capacity in a constrained construction market
- Key benefits of the project include:
  - expanded domestic hub offering and enhanced retail proposition
  - direct access between domestic and international travel and reduced connection times
  - improved operational efficiencies through common landside functions
- Construction for the project is expected to begin in late 2020 with the first stage due for completion in 2023



Indicative location of new domestic jet hub

Project Alliance Agreement with aligned incentives, shared risk and joint decision making



Invest for future growth

Planning and design continues on remaining anchor projects

6 Northern runway

- Notice of requirement is complete
- Progressing concept design and reviewing timing

7 Multi-storey car park and new pickup and drop off

- Project is currently in the design phase
- Completion expected in 2022

8 New cargo precinct

- Assessment of feasibility is currently underway
- Cargo terminal operator tenant discussions ongoing

Significant work is ongoing on renewing and upgrading of our existing infrastructure

- Key projects include airfield infrastructure, fuel pipelines transport network road upgrades, etc

New multi-storey car park. Image for illustration purposes only

Airfield fuel pipeline upgrade

Invest for future growth

Track record of successful property development

- Completed developments include:
  - 5,500m^2 development leased to ASX listed Bapcor
  - Airways office and control centre
  - stage 1 of The Landing commercial centre

Strong pipeline with high quality tenants

- Momentum is accelerating, with over $300m currently under construction including:
  - 85,000m^2 Foodstuffs office and warehouse facility – on budget and ahead of programme
  - 11,000m^2 multi-unit speculative facility
  - 8,000m^2 warehouse extension for DHL at The Landing
  - new 16,000m^2 warehouse pre-leased to Hellman in The Landing due to start in early 2020
- Continue to investigate off-terminal, on-precinct retail opportunity

New hotels

- Two hotel projects under construction – a 311 room 5 star Pullman hotel, plus a 146 room 4 star Mercure hotel. Both projects are advancing well and tracking to programme and budget

$105m Investment property rent roll

99.4% Occupancy in the portfolio

9.12 years WALT

205 hectares of land available for development

Foodstuffs concept

The recently opened Landing Cafe

Strategic priority:
Be fast, efficient and effective

In the first six months we have…

Capacity and effectiveness

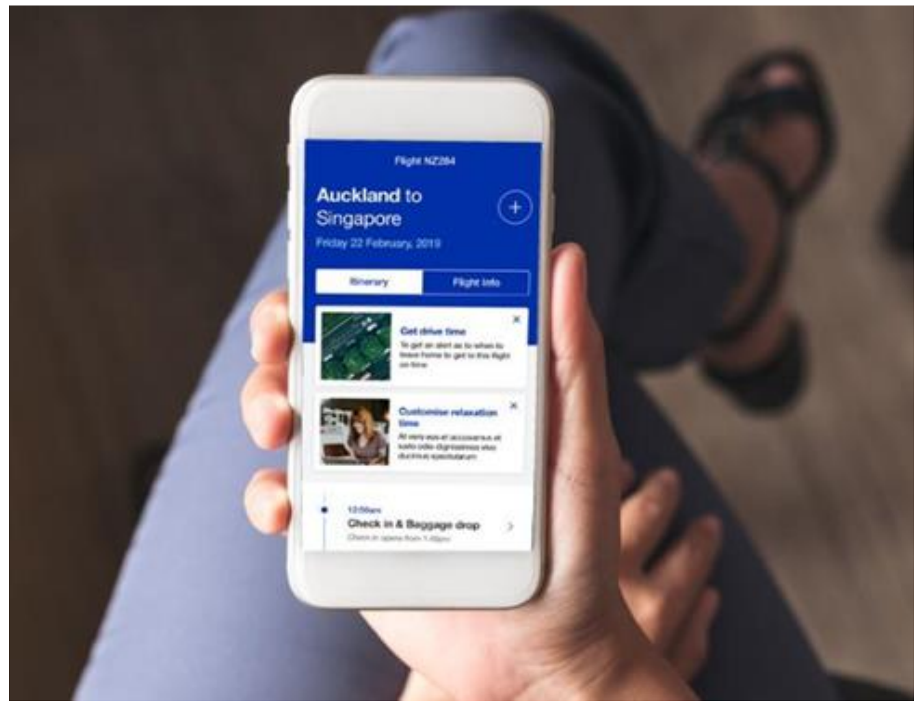
- Launched 12 new automated pre-security gates, replaced manual checking of boarding passes
- Continued the rollout of check in kiosks, including trials at the Novotel Hotel and Park & Ride
- Further expanded domestic terminal security screening area providing increased passenger comfort
- Reconfigured and expanded domestic terminal food court providing more seating and charging ports as well as new retail offerings

Passenger experience improvements

- Developed Family Lane in collaboration with the Aviation Security Service and New Zealand Customs for Christmas holidays
- Prepared Passenger Lane introduced at the Domestic Terminal for a faster path through security screening
- Released home-to-gate feature on our airport app
- Opened Air New Zealand regional lounge

Over the next six months we are…

- Launching second stage of the automated boarding pass scanners, providing real-time reports for airlines and ground handlers on passenger locations
- Working towards introduction of automated bag drop machines



New home-to-gate feature on our airport app

Strategic priority:
Strengthen our consumer business

Retail growth across multiple revenue streams

- Overall retail income per passenger grew 2.5% driven by steady growth in terminal income and double-digit growth from the Collection Point and Strata Lounge
- Opened the two-story Vantage Bar overlooking the runway, marking the conclusion of the international departures upgrade. The new retail stores are performing in line with expectations
- International PSR increased 4.6%, with Duty Free and F&B the biggest contributors. Duty Free PSR grew 7.1% with growth across all categories
- The Mall continues rapid growth; transactions via the platform have grown 55% compared to 2H FY19
  - WeChat Mall launched. WeChat Pay and Alipay functionality added
  - trialing direct to consumer shipments to China
- Domestic Terminal PSR increased 7.4% reflecting an enhanced food and beverage offering and expansion of the food court

2.5%	Increase in retail income per international passenger
4.6%	Growth in international PSR
7.4%	Growth in domestic PSR

New Vantage Bar overlooking the runway

New domestic terminal F&B offerings

Strengthen our consumer business

Parking revenue increased following capacity additions

- Parking income grew 4.3% supported by strong Valet demand and a 8.1% increase in parking capacity[1]:
  - new 1,000 bay multi-storey car park opened 1 July 2019
  - 700 Valet storage spaces added in the half, in addition to the 500 added in July
- Park & Ride South facility underway, delivering 3,200 new car parks in late 2020. It will make journeys easier for travellers from the south and reduce the number of vehicles on the precinct's busy road network. The project complements NZTA's widening of SH20B
- As work begins on the expanded arrivals area, domestic jet facility and 3,200 space multi-storey car park. Capacity reductions will be minimised during construction
- A covered pedestrian walkway will be built in the second half of the financial year, providing weather protection for travellers and access to international terminal parking while the multi-storey car park is being built

13.6% Valet revenue growth

50% Online channel as % of total car parking income

8.1% Increase in parking capacity compared to last year

Park & Ride South site blessing in November 2019

Artists impression of the Cloud in the international terminal car park

[1] Based on average number of spaces in 1H FY20 compared with 1H FY19

People, place and community

Customer experience

Invest in infrastructure that enhances the customer experience

4.16 Overall ASQ customer satisfaction score remains high after the international terminal upgrade

4.06 Customer in-terminal kiosk score, up from 4.01 in 1H FY19

- 2.0% decline in the number of international flight movements bussed to the terminal
- 2.4% Baggage reclaim time improvement

Safety and sustainability

Commit to operating in a safe and sustainable way

"Stay in the know" safety initiative put in place and two contractors health and safety forums held

Included in DJSI Asia Pacific; maintained B rating in GRESB Infrastructure and CDP

- 120% increase in reporting of safety observations and hazards
- 41% reduction in the passenger incident rate
- 48% decrease in employee recordable injury rate

Education and employment

Share the benefits of our investment programme with job creation and training

Ara

In the six months to 31 December 2019:

218 training opportunities

59 job placements

73 students involved in work experience

Auckland Airport first Job Expo:

450 job seekers met 24 employers looking to fill 300 roles across retail, hospitality and tourism

~100 people looking for employment found jobs around the Airport precinct

Social procurement policy launched encouraging contractors to use Ara

Questions


Tour group area
Media centre
Ground transport
Domestic terminal

Appendix: underlying profit reconciliation

- The directors and management of Auckland Airport understand the importance of reported profits meeting accounting standards. Because we comply with accounting standards, investors know that comparisons can be made with confidence between different companies and that there is integrity in our reporting approach. However, we also believe that an underlying profit measurement can assist investors to understand what is happening in a business such as Auckland Airport, where revaluation changes can distort financial results or where one-off transactions, both positive and negative, can make it difficult to compare profits between years.
- For several years, Auckland Airport has referred to underlying profit alongside reported results. We do so when we report our results, but also when we give our market guidance (where we exclude fair value changes and other one-off items) or when we consider dividends and our policy to pay 100% of underlying net profit after tax (excluding unrealised gains and losses arising from revaluation of property or treasury instruments and other one-off items). However, in referring to underlying profits, we acknowledge our obligation to show investors how we have derived this result.
- The table below shows how we reconcile reported profit after tax to underlying profit after tax for the for the six months ended 31 December 2019 and 31 December 2018:

	2019			2018		
For the six months ended 31 December ($m)	**Reported profit**	**Adjustments**	**Underlying profit**	**Reported profit**	**Adjustments**	**Underlying profit**
EBITDAFI per Income Statement	**279.2**	**-**	**279.2**	**277.1**	**-**	**277.1**
Share of profit of associates	5.0	-	5.0	4.3	(0.1)	4.2
Derivative fair value movement	(0.4)	0.4	-	0.2	(0.2)	-
Investment property fair value increases	9.1	(9.1)	-	11.1	(11.1)	-
Depreciation	(55.4)	-	(55.4)	(50.0)	-	(50.0)
Interest expense and other finance costs	(34.7)	-	(34.7)	(40.1)	-	(40.1)
Taxation expense	(55.6)	1.4	(54.2)	(55.4)	1.1	(54.3)
Profit after tax	**147.2**	**(7.3)**	**139.9**	**147.2**	**(10.3)**	**136.9**

- We have made the following adjustments to show underlying profit after tax for the for the six months ended 31 December 2019 and 31 December 2018:
  - We have reversed out the impact of revaluations of investment property. 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;
  - We have reversed out the impact of derivative fair value movements. These are unrealised and relate to basis swaps that do not qualify for hedge accounting as well as the ineffective valuation movement 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;
  - In addition, to be consistent, we have adjusted the revaluations of investment property and financial derivatives that are contained within the share of profit of associates; and
  - We have also reversed the taxation impacts of the above movements.

Glossary

AMTN	Australian medium term notes
ARPS	Average revenue per parking space
ASQ	Airport Service Quality
CAGR	Compound annual growth rate
EBITDA	Earnings before interest, taxation, depreciation and amortisation
EBITDAFI	Earnings before interest, taxation, depreciation, fair value adjustments and investments in associates
JV	Joint venture
MCTOW	Maximum certified take off weight
MPI	Ministry for Primary Industries
NPAT	Net profit after tax
NZTA	New Zealand Transport Authority
OCF	Operating cash flow
Opex	Operating expenditure
PAX	Passenger
PSE3	FY18-FY22
PSE4	FY23-FY27
PSR	Passenger spend rate
RACP	Risk-adjusted capital plan
Second till	Non-aeronautical activities subject to open market competitive forces
USPP	United States Private Placement
WALT	Weighted average lease term