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Auckland Airport continues strong momentum as it steps up investment to support future growth

Auckland Airport has today announced its interim results for the six months to 31 December 2015.

Auckland Airport Chair, Sir Henry van der Heyden, says, “We are delighted to announce that the company has delivered a strong set of results for the six months to 31 December 2015.”

“We have continued to see growth right across our business, which has been underpinned by new routes, new airlines and increasing passenger numbers.”

“This growth pleasingly occurs at a time when we have lifted our capital investment programme, ensuring we can upgrade and expand our terminals and airfield capacity for passengers and airlines, in turn delivering real benefits to the travelling public and continuing our intent of building an important regional hub for Asia Pacific aviation.”

In October 2015, Auckland Airport updated its forecast capital expenditure for the 2016 financial year to be between \$230 million and \$260 million, as a direct result of the strong growth across the business, especially from those parts driven by tourism and property.

The total number of passenger movements was up 6.7% to 8.4 million, with international passengers (excluding transits) up 7.2% to 4.3 million and domestic passengers up 6.2% to 3.9 million. Revenue was up 11.6% to \$280.6 million. Earnings before interest expense, taxation, depreciation, fair value adjustments and investments in associates (EBITDAFI) increased 13% to \$213.5 million. Total profit after tax was up 24.8% to \$115.8 million while underlying profit after tax increased 18.6% to \$104.1 million. Underlying earnings per share has continued to increase, up 18.6% to 8.7 cents per share, and the interim dividend for the six months to 31 December 2015 is 8.5 cents per share.

“This performance has only been possible through the commitment and hard work of Auckland Airport’s staff, contractors and consultants, as well as the ongoing efforts of airline and tourism partners, the Government’s border agencies and everyone else who works at the airport.”

“Revenue growth was underpinned by strong retail performance, as well as favourable growth in aeronautical, property rental and transport income. Our total share of profit from associates was \$4.1 million for the first six months of the 2016 financial year, down 24.1%. The profit share from Queenstown Airport was up 25.8% to \$1.5 million. The share from North Queensland Airports was down 50% to \$1.8 million due to our share of an unfavourable fair value movement in derivative financial instruments of \$2.7 million. After reversing that movement its underlying profit was up 25.5% to \$4.5 million. Our profit share from the Novotel hotel was up 33.3% to \$0.8 million.”

“In consideration of our strong growth and performance in the first six months of this financial year, Auckland Airport is now lifting and tightening its guidance for the full year to be between \$200 million and \$206 million. This updated guidance would deliver an increase in underlying earnings per share of between 13.4% and 16.8%. It is subject to any material adverse events, significant one-off expenses, non-cash fair value changes to property, and deterioration as a result of global market conditions or other unforeseeable circumstances,” says Sir Henry.

The interim dividend for the six months to 31 December 2015 is lifted to 8.5 cents per share. It is imputed at the company tax rate of 28% and will be paid on 7 April 2016 to shareholders who are on the register at the close of business on 24 March 2016.

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