Auckland Airport

Delivering Results

Investor presentation 2016

Adrian Littlewood
Chief Executive

Philip Neutze
Chief Financial Officer

Investment Story

International Gateway to New Zealand

- New Zealand is an island nation and arrival by road and rail is impossible. Sea transport is unattractive for most overseas travellers
- Auckland Airport is the only commercial airport in New Zealand's largest city
- Approximately 2 million people (40% of NZ's population) live within a two hour drive of Auckland Airport. 75% of international visitors arrive or depart from Auckland Airport, and 94% of long haul arrivals (excluding Australia)
- No curfew, operating 24 hours a day
- Auckland is New Zealand's centre for commercial, industrial, residential and migration growth
- High barriers to competitive entry of another airport in Auckland
- New Zealand's largest listed company providing ideal platform for exposure to buoyant local economy and very strong tourism sector

Population*

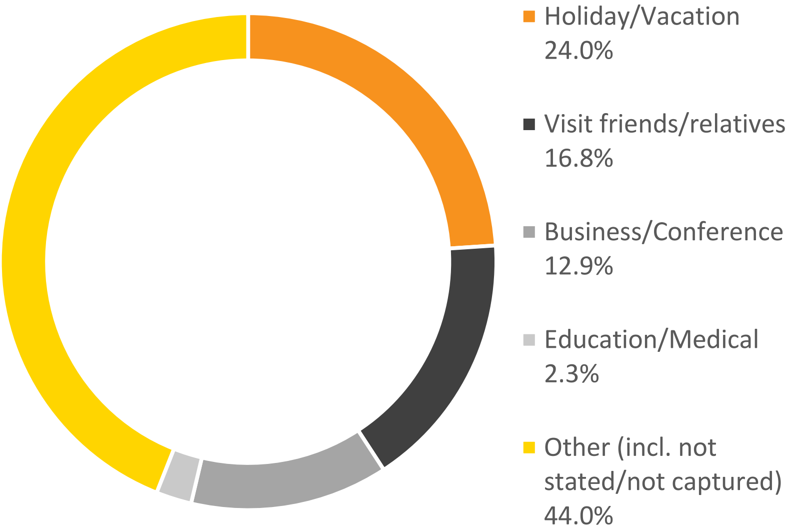
New Zealand:
4.4 million

Auckland Airport Catchment Area

Within 2 hours' drive time:
1.780m people

Within 4 hours' drive time:
2.244m people

* 2012 Population Estimate Per Statistics New Zealand. Catchment data per Property Economics (2012)



Annual Report – 30 June 2015

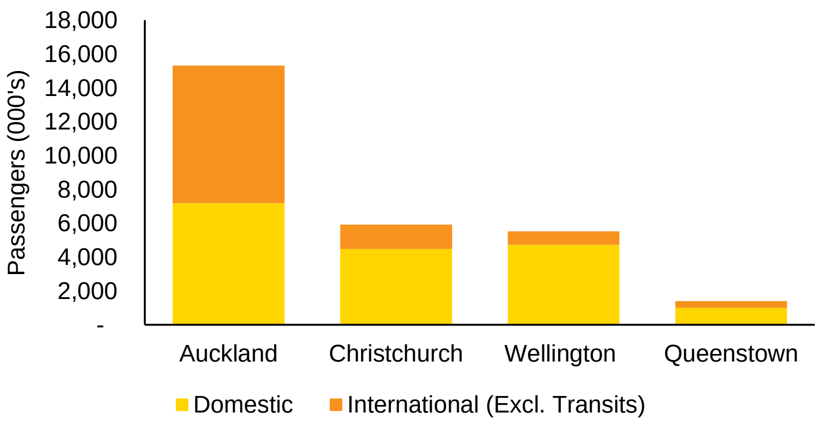
Aeronautical assets

- Single 3,535m runway and associated taxiways and aprons can accommodate all current aircraft types, including A380 and Boeing 787 Dreamliner
- Main taxiway can function as a standby runway in emergencies
- Existing and planned northern runway 2,150m (parallel to main runway) will meet Auckland's aviation requirements for the foreseeable future
- International Terminal Building with 14 airbridge stands (3 A380 capable) and 10 remote stands
- Domestic Terminal Buildings with 8 airbridge stands and 19 remote stands

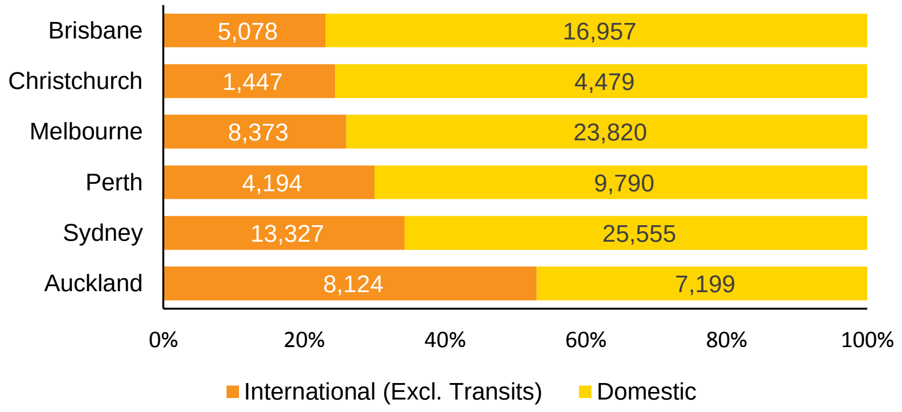
New Zealand's busiest airport and our international gateway

- Auckland Airport is the largest and busiest airport in New Zealand in terms of passenger movements and revenue
- International passengers represented 51% of total passenger movements in the year to 30 June 2015, the highest proportion of all Australasian airports
- Third highest number of international passengers in Australasia (behind Sydney and Melbourne)

Total passengers – New Zealand airports



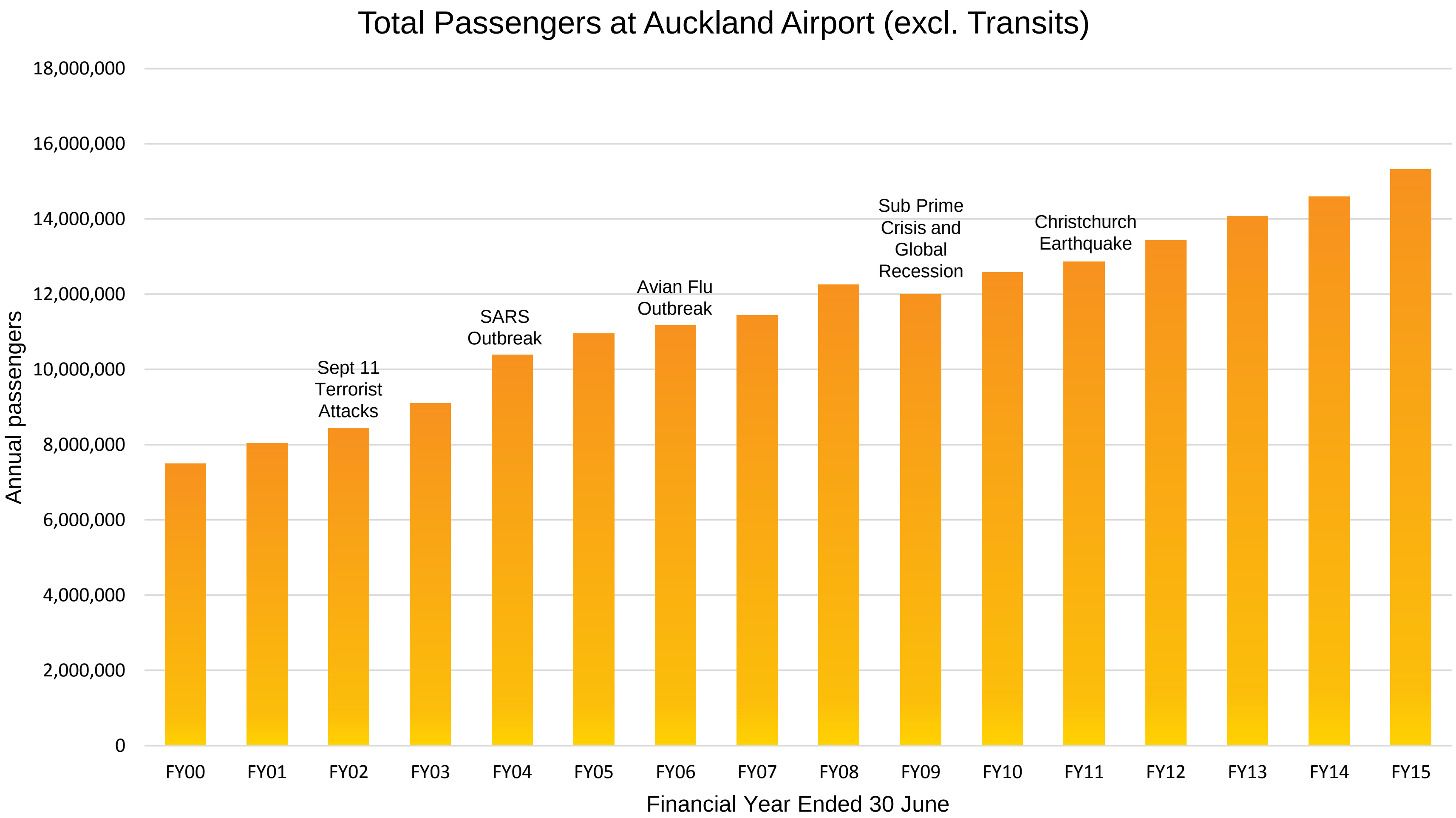
Comparison of international vs. domestic passengers



Source: Passenger information is from each airport's monthly traffic update (via their individual websites) or from ACI Statistics for the 12 month period ending 30 June 2015

Proven passenger growth resilience

- Highly resilient to global economic weakness and other external shocks

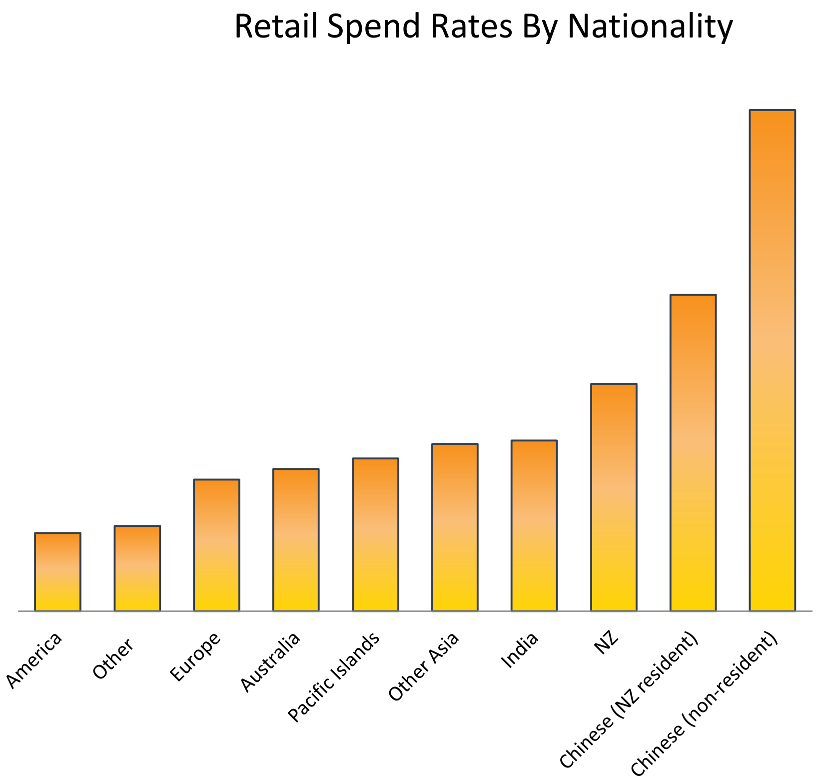


Significant Land Holdings

- Auckland Airport owns approximately 1,500 hectares of freehold land (~300 hectares available for IP development)
- Land value NZ$3.2 billion as at 30 June 2015
- Vacant land enables staged and affordable expansion of aeronautical infrastructure as required and ongoing rental income growth

Retail

- The retail business operates through concessions; the two duty free being the largest
- 110 stores across the domestic and international terminals with a growing and affluent footfall
- Retail concessions represented $132m of income in FY15. This was 26% of total revenue and 54% of non-aeronautical revenue. Retail revenue carries higher margins than other parts of the business
- Core categories include Duty Free, Destination, FX, Food & Beverage, Specialty
- High growth Asian travellers also the highest spenders
- Chinese passengers (NZ resident + non-resident) represent 7% of all traffic, yet 14% of international terminal retail spend
- Non-resident Chinese spend rate is +166% above the overall average



Car parking business

- Dynamic, direct to consumer, online sales channel delivers high car park occupancy and yield optimisation
- As at December 2015, the Airport had 9,981 parking spaces
- In FY15 Auckland Airport moved some airline and other staff car parking from the domestic terminal to the Park & Ride facility, providing more car parks close to the terminal for the travelling public

International Terminal	Domestic Terminal	Park & Ride	Valet
Proximate short-term and long term parking options	Multi-level car park with direct connectivity into terminal	Opened December 2008	Domestic valet service opened in May 2014. International valet service opened in December 2014
3,574 public parking bays	2,622 public bays	1,100 parking bays	368 parking bays
Covered and uncovered parking	Covered and uncovered parking	Prominent location, 24/7 shuttle with transfers every 10 minutes, GPS, High Security	Ultra-convenient drive up solution for premium customers
In addition there are 2,317 staff car parks across domestic and international terminals which can be leveraged for customer parking at peak times.			

Property Business

- Auckland Airport holds $613.5m of investment property (excl. undeveloped land) with a rent roll totaling $56.1m as at 30 June 2015. It is one of the most active developers in the industrial sector with ~300 hectares of developable land yet to come to market
- Developments comprise all types of land use except permanent residential and heavy industrial. The Auckland Airport business district ("The District") has been divided into seven precincts reflecting logical groupings of industry type and sector
- Leases are medium to long term and properties are typically developed on a design/build/lease basis with committed tenants. The weighted average lease term of existing properties was 5.26 years as at 31 December 2015
- Vacancy in the portfolio is negligible (1% as at 31 December 2015)

Hotels

- Auckland Airport has interests in two hotels with advanced plans for a third and space reserved for a fourth
- The hotels have outperformed ambitious expectations and are integral to our consumer growth strategy
- The Novotel Hotel was completed in May 2011 - a 263 room (4+ star) hotel
- It is a joint venture with Tainui Holdings and Accor Hospitality with Auckland Airport holding a 20% stake
- Auckland Airport also collects ground rental from the Novotel site
- The second hotel (Ibis - 3 star) was completed in August 2011 and expanded in December 2014 with an additional 73 (50%) rooms

Associates

Queenstown Airport – New Zealand (24.99% ownership)

- Queenstown Airport is the gateway airport to New Zealand's adventure capital, a major tourist destination and the fourth largest international airport in New Zealand.
- Queenstown Airport has a runway length of 1,911m (2,090 yards)
- In the year ended 30 June 2015, Queenstown airport handled 1,000,713 domestic and 397,927 international passengers with growth of 6.4% and 29.0% on the previous year respectively
- It is the fastest growing airport in New Zealand with international passenger numbers more than tripling since Auckland Airport took its stake




Associates

North Queensland Airports – Cairns and Mckay, Australia (24.55% ownership)

- Cairns Airport is the gateway airport to Tropical North Queensland, a major Australian leisure destination. Two world heritage listed attractions, the Great Barrier Reef and Wet Tropics Rainforests are accessed from Cairns
- The airport has direct flights to all Australian capital cities with the exception of Hobart and a high number of other regional destinations are also serviced from Cairns. The airport is also Australia's seventh busiest airport for international passengers
- The airport is subject to a 99 year lease from the State of Queensland (92 remaining)
- In the year ended 31 December 2015, North Queensland Airport handled 4,090,375 domestic and 646,901 international passengers (excluding transits)



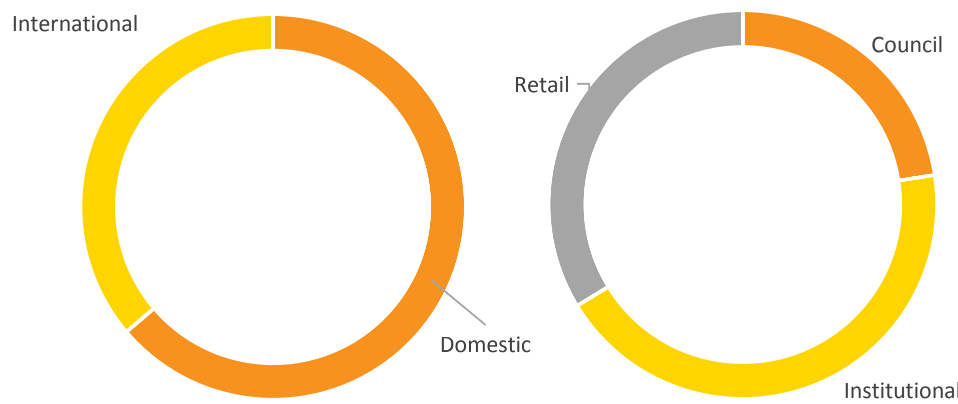

Current Position

Auckland Airport

Market Capitalisation

$7,502m *

Register composition as at 31 December 2015



Returns to Shareholders	Share Price Opening $	Share Price Closing $	Dividend cps	Capital Return cps	Cost of Cancelled Shares cps	Total Return $	Total Shareholder Return %
1 July 2010 to 30 June 2011	1.870	2.230	8.700	-	-	0.447	23.9
1 July 2011 to 30 June 2012	2.230	2.440	10.500	-	-	0.315	14.1
1 July 2012 to 30 June 2013	2.440	2.970	12.000	-	-	0.650	26.6
1 July 2013 to 30 July 2014	2.970	3.900	7.000	34.300	(34.300)	1.000	33.7
1 July 2014 to 30 July 2015	3.900	4.940	14.600	-	-	1.186	30.4

* Market capitalization using share price as of 2 March 2016

Regulatory Environment

- Dual-till regime, with the aeronautical segment (1st till) subject to information disclosure regulation under the Commerce Act 1986
- Disclosure regime includes monitoring of service standards, asset availability, capital expenditure plans, efficiency of pricing and return on investment
- Commerce Commission monitors information disclosure regime effectiveness
- Commission aiming to publish its draft input methodology amendments in June 2016 in relation to the regulatory disclosure regime
- Key issues under discussion include WACC percentile, a new forward-looking profitability measure, a new backward-looking profitability measure reflecting airports' bespoke pricing approaches (e.g. our moratorium on regulatory asset revaluations for pricing) and treatment of future use assets (e.g. our northern runway land holding)
- Auckland Airport's FY18-22 aeronautical price path consultation with major airlines and representatives is to begin in early FY17, with final pricing decision expected in May 2017

Strategy for our future

Faster, Higher, Stronger

Auckland Airport

GROW TRAVEL MARKETS	STRENGTHEN OUR CONSUMER BUSINESS	BE FAST, EFFICIENT & EFFECTIVE	INVEST FOR FUTURE GROWTH
Adopt an ambitious and innovative approach to help New Zealand to sustainably unlock the growth opportunities in travel, trade and tourism	**Strengthen and extend our retail, transport and accommodation businesses to ensure we can respond to evolving customer needs**	**Continue to improve our performance by increasing the productivity of our assets, processes and operations**	**Build on our strong foundations for long-term sustainable growth**

Delivering on our ambitions

Auckland Airport

In 2013 we established several ambitious targets under out Faster, Higher, Stronger growth strategy

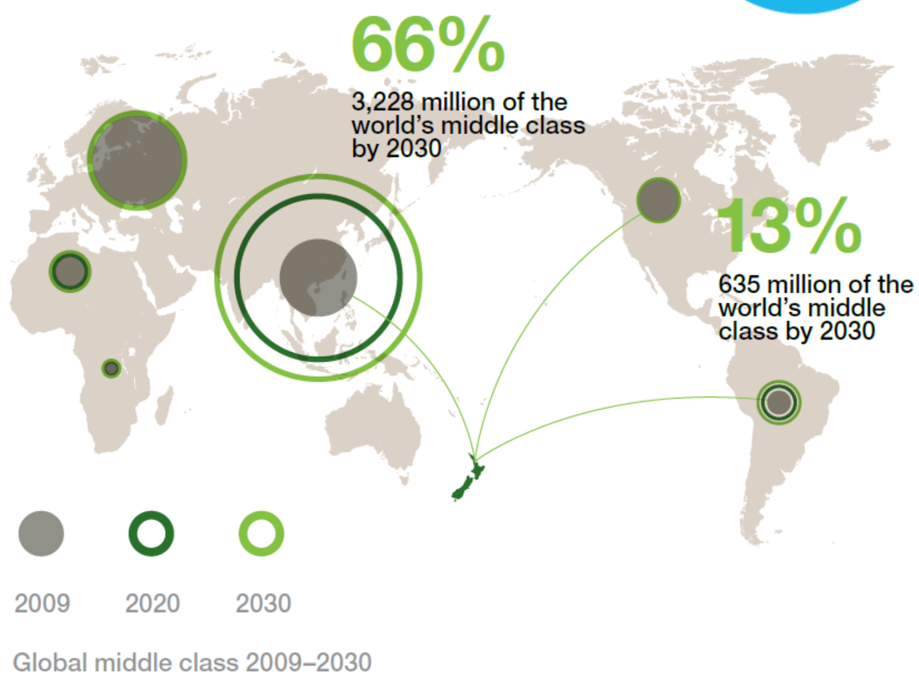
Double Chinese arrivals to 400,000 by FY17	✓ (On track)	340,646 in the 12 months to 31 January 2016
10 million international passengers by FY18	✓ (On track)	9 million in the 12 months to 31 January 2016
Build property rent to $60m by FY17	✓ (On track)	56.1 million as at 30 June 2015
20 million total passengers by 2020	Aspirational (but achievable)	16.5 million in the 12 months to 31 January 2016

Positioned in high growth Asia-Pacific

Auckland Airport

GROW TRAVEL MARKETS

- Unique approach to driving airline capacity.
- Very rarely discounts landing charges, instead preferring cooperative marketing campaigns to drive sustainable traffic on new routes
- Airport aims to become the southern hub for air travel in Australasia and the Pacific Rim, assisted by its location in the high growth Asia-Pacific region and capacity to expand infrastructure in a staged and efficient manner



Source: The Emerging Middle Class in Developing Countries, Homi Kharas, January 2010

Grow Travel Markets

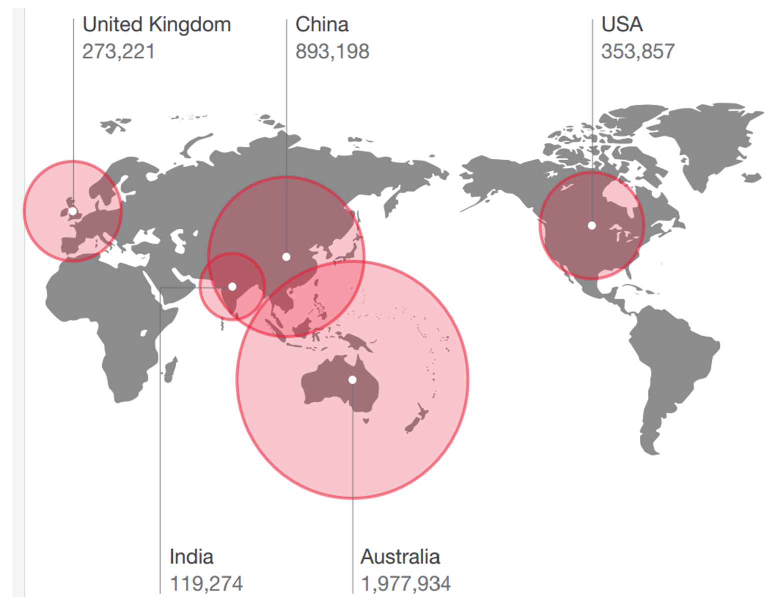
Auckland Airport

GROW TRAVEL MARKETS

- NZ has an opportunity to capture a larger share of the fast growing Asia-Pacific aviation market
- Aligning industry on opportunities is a key part of our "Ambition 2025: High Opportunity Target"

  Refer: www.ambition2025.co.nz
- We are working with Tourism Industry Association, Government and other industry stakeholders to reset New Zealand's tourism ambitions and guide how the country can grow tourism faster
- Launched initiatives to focus on Asian growth markets such as China and Indonesia:
  - Hosted industry "Asia Summit" in May 2015
  - Continued to invest in the New Zealand tourism industry contributing to the development of a strategic tourism framework targeting 6% annual growth for the tourism sector

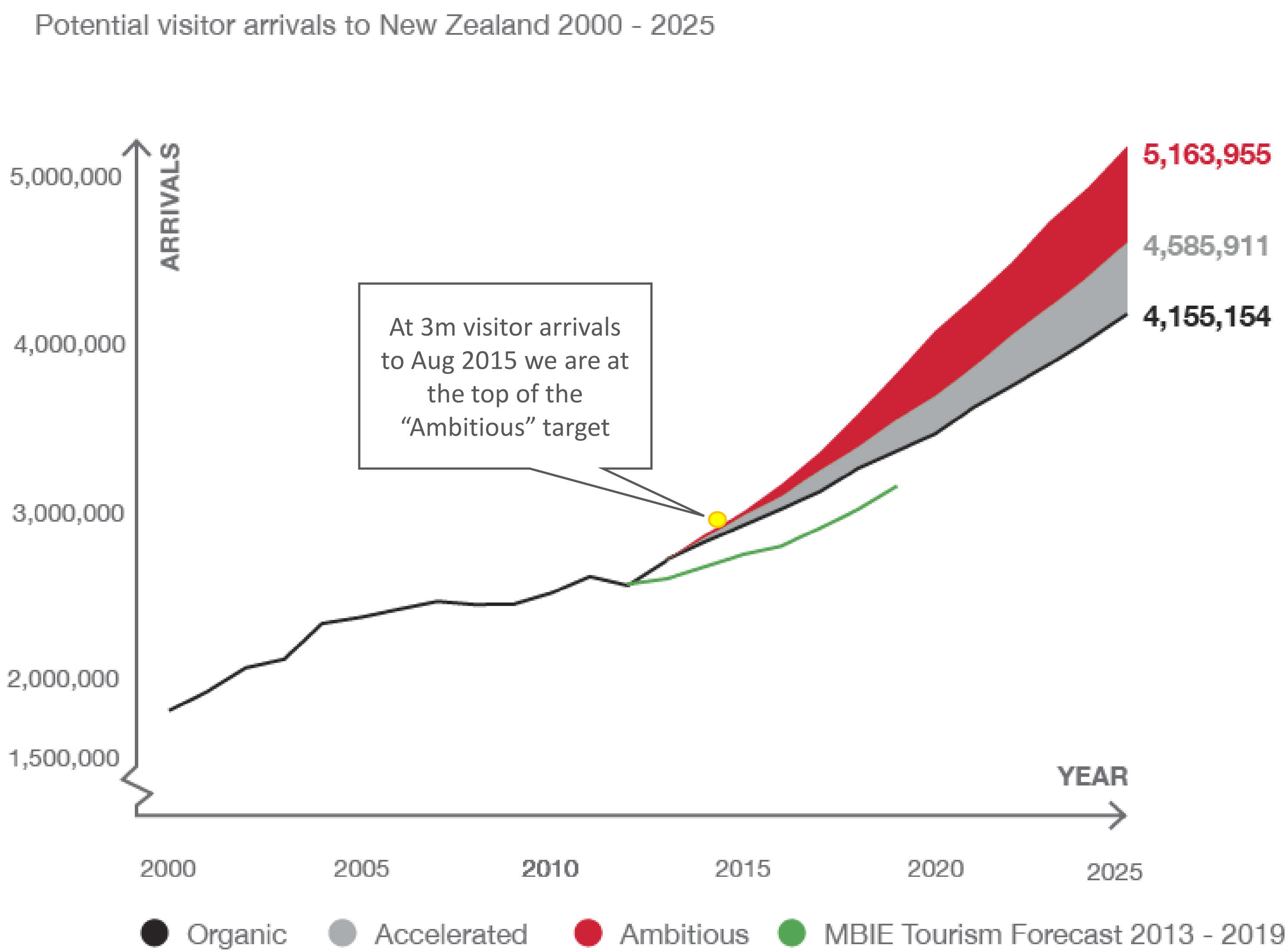
Top five markets by visitor arrivals 2025



Strong growth potential

Auckland Airport

GROW TRAVEL MARKETS

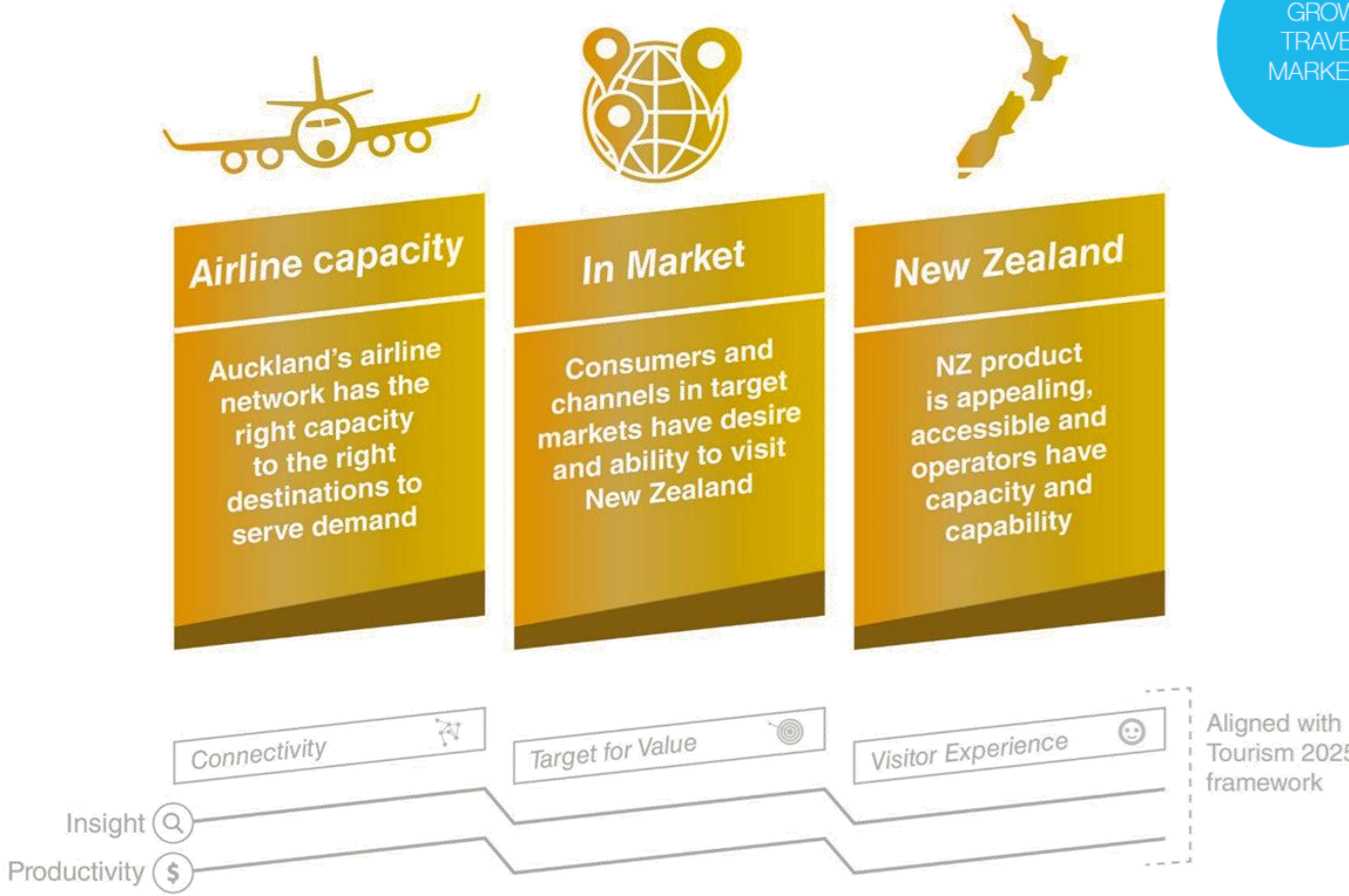


Strategic Framework

Auckland Airport

Grow travel markets by working with partners across the whole value chain

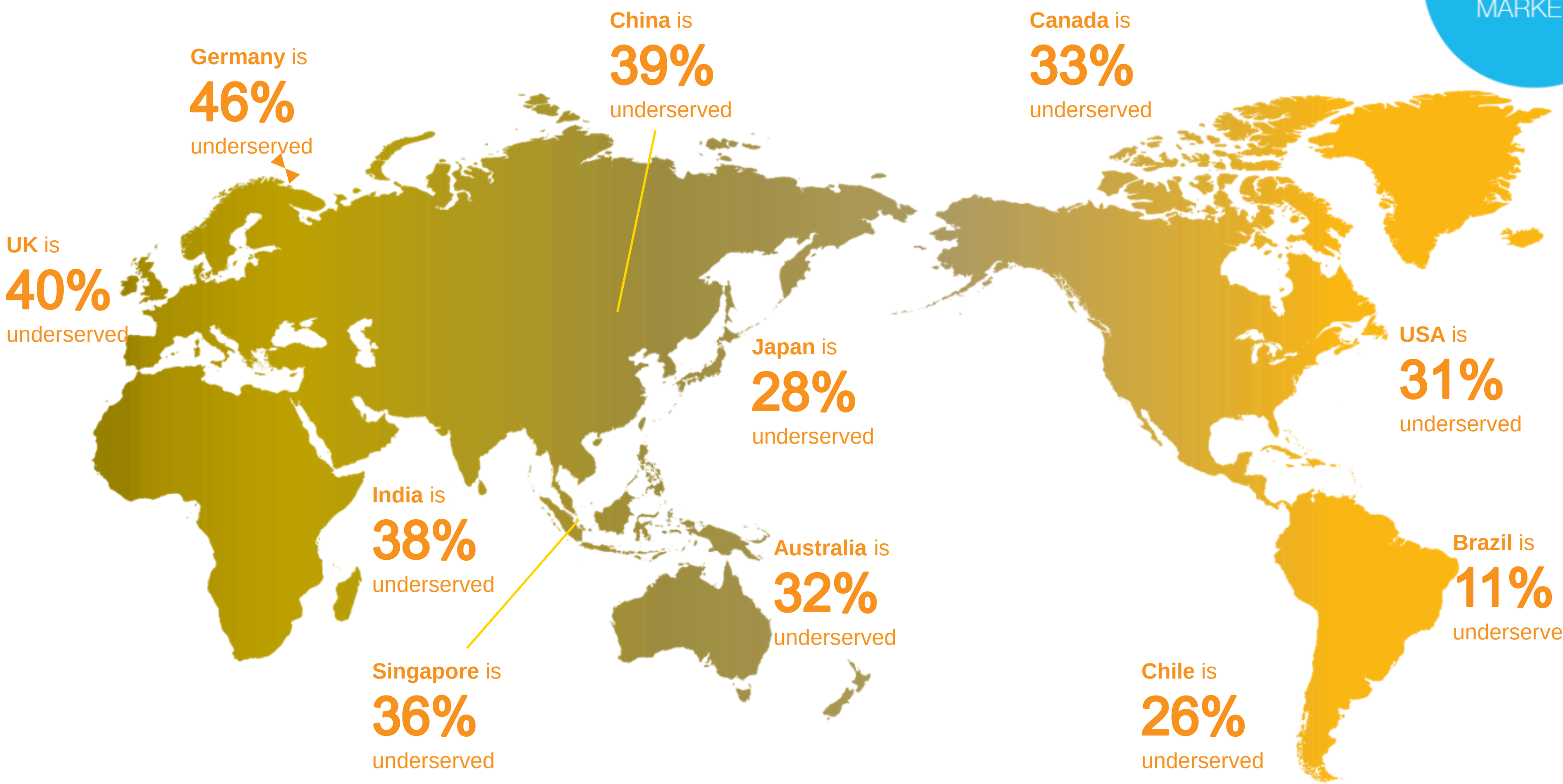
GROW TRAVEL MARKETS



Network analysis exposes underserved demand

Auckland Airport

GROW TRAVEL MARKETS



Source: Auckland Airport network model as at March 2016

Unprecedented access to the world

Auckland Airport

GROW TRAVEL MARKETS

- Strong period of expansion in air services with six new airlines having commenced or announced services to Auckland in the twelve months to December 2015
- New capacity has further strengthened national hub status and is a further step on path to southern Asia-Pacific hub aspiration
- Now have better route diversity to important emerging and developed markets including:
  - **Asia** – direct access to all tier one Chinese cities with launch of Air China to Beijing. Long haul services launched from Manila (Philippine Airlines) in November 2015 and and Kuala Lumpur (AirAsia X) from March 2016
  - **Americas** – Entry of American Airlines and United Airlines mid 2016 accessing their extensive US distribution networks. Air NZ expansion into Buenos Aires and Houston in December 2015
  - **Europe and the Middle East** – new Dubai direct service from Emirates from March 2016. Longest passenger route in world
- **Domestic –** Jetstar launched regional turbo-prop services in December 2015 / February 2016
- New generation efficient fleet delivery (eg 787/A350) combined with substantially lower fuel prices provides strong support to long haul routes

Strengthen our consumer business: Retail

Auckland Airport

- Proactive landlord optimizing store mix and overall customer experience. Planning and refinement over the last two years is beginning to deliver results
- Continue to add new brands and stores that meet objective of ‘best of NZ and world’ retail e.g. Kiehls, Jo Malone, Urban Decay, Victoria Secret (first in NZ), Ruby
- Duty Free retailers have now completed bedding in operations, immediate store refurbishment and product mix changes leading to growth in core category performance e.g. cosmetics and skincare up 18% vs. PCP in the six months to 31 December 2015

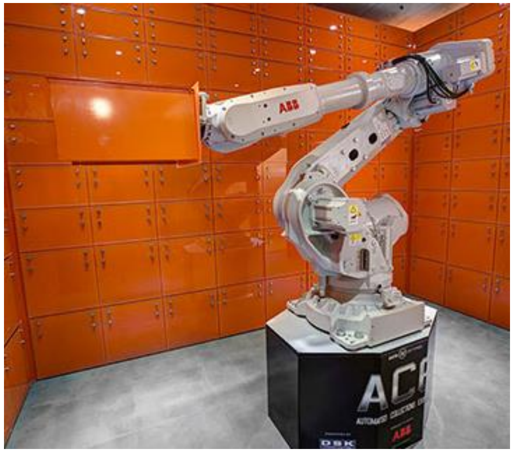
STRENGTHEN OUR CONSUMER BUSINESS

Strengthen our consumer business: Retail

Auckland Airport

STRENGTHEN OUR CONSUMER BUSINESS

- Market leading innovation continuing to drive duty free footfall and sales e.g. 'ACE' (duty free collections robot), Johnny Walker House (one of six world-wide)
- Outstanding specialty PSR growth (+27% in the 6 months to 31 December 2015) with exciting new stores including Comvita, MAC, Saben, Casio G-Shock
- Six retailers running full online click and collect model - momentum building as we learn alongside our retailers
- Joint marketing partnerships to stimulate sales growth
- Significant increase in retail space underway

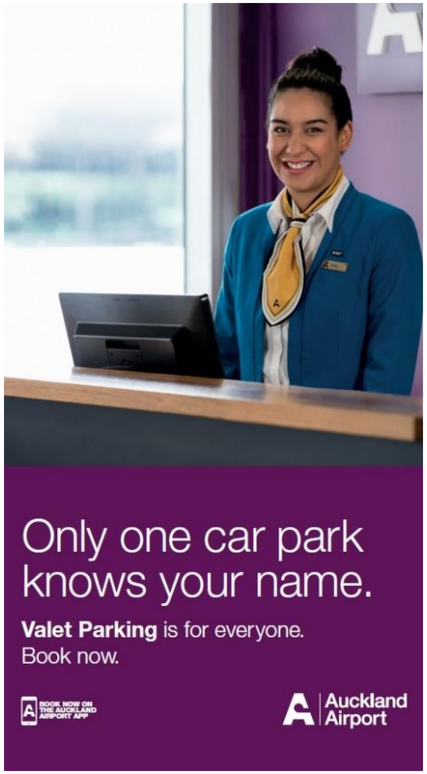


Transport growth continues

Auckland Airport

STRENGTHEN OUR CONSUMER BUSINESS

- Car parking growth continues to be driven by broad programme of improved customer choice, extra capacity and promotions:
  - Product – Valet now well established at both international and domestic. Valet exits up 70%. New remote "Wait Zone" product introduced to offer customers free 30mins carparking when waiting to pick up passengers – also helps to minimize forecourt congestion
  - Capacity – continue to add new capacity when demand supports. Adding further 2,000 new spaces to remote ParknRide over next two years and doubling Valet spaces by May 2016
  - Utilisation – New real time guidance systems helping to lift space utilisation during peak periods
  - Promotions – Continue to use online channels to stimulate demand through targeted promotions. Online channel sales up 23.5%



Operational innovation delivering for partners and passengers

- Driving high quality customer experience and operational efficiency
- Based on pro-active collaboration, data sharing and real-time information
- Collaborative decision making (CDM) with Auckland Airport's partners delivering efficiencies
- Innovation and new technology has enabled ongoing lift in processing throughput. 38% more passengers processed through international emigration versus the same period in 2009
- Despite lift in international passenger volumes 2015 summer during peak months of ~9%, average processing times actually decreased by ~5%
- Since the introduction of CDM in July 2015, airfield apron congestion has decreased by 4%

Customer experience innocation

Auckland Airport

Lifting customer experience delivers two-way value

- Ongoing investment in customer experience (roving agents, concierges, customer information systems, pre-airport travel info)
- Building customer relationships through all channels (Tripit, Web, App, WiFi) and across lines of business (e.g. parking, retail)
- Delivering tailored service and relevant offers to customers
- Skytrax award for best Airport in Australia/Pacific 7th year in a row

Mobile key delivery mechanism for future

- Upgraded Auckland Airport app with integration of Tripit
- Starting integration of other airport service providers (e.g. transport partners)
- Increasing our relevance beyond the airport's boundaries across entire customer travel journey
- Key interface for targeted offers and initiatives over longer term

Be fast, efficient & effective: Financial

Auckland Airport

BE FAST, EFFICIENT & EFFECTIVE

- We are monitoring cost drivers throughout the business to sustain world class EBITDA margins (76% in the six months to 31 December 2015)
- We are carefully managing our capital programme to make the most of our existing infrastructure and deliver in a staged and affordable manner
- Demonstrated commitment to capital efficiency as well as our A- credit rating with $454 million capital return to shareholders in April 2014

Credit metrics

	June 2012	June 2013	June 2014	June 2015
Debt/Enterprise value (%)	25.8	22.8	24.7	22.5
Funds from operations/interest cover ratio (x)	3.9	4.2	4.5	3.9
Funds from operations/debt (%)	17.9	18.4	15.8	16.7
Weighted average interest cost (%)	6.52	6.21	5.95	5.79

Our future – 30-year vision launched

Auckland Airport

INVEST FOR FUTURE GROWTH

- Bold 30-year vision developed with international experts (www.airportofthefuture.co.nz). Very positive stakeholder feedback
- Vision is based on a combined domestic and international terminal as well as an efficient, affordable and staged development path.
- Work completed on the first two phases and well underway on phases 3-5:
  - Phase 1: Additional baggage belts
  - Phase 2: Reconfigured inbound processing
  - Phase 3: Expanded outbound processing and airside dwell areas
  - Phase 4: Pier B, bus lounge, remote and contact stands
  - Phase 5: Domestic Terminal (first stage)

[1] This is subject to the successful completion of concept design, detailed design and the final business case.

In the flow of airport capacity development

Auckland Airport

- Following intensive period of detailed planning, strong pipeline of infrastructure development projects adding important capacity – was critical to supporting summer peak demand and new airline services
- Planned approach has also allowed us to bring forward aeronautical investment programme to support higher than expected demand
- Demonstrated the ability to deliver additional capacity under tight timeframes. Examples completed in the last six months include:
  - Added a new bus lounge on Pier B of the international terminal
  - Completed second of two additional baggage belts in the international baggage hall
  - Completed an extra 17,500 square metres of airfield space
  - Developed four new regional gates at the domestic terminal
  - New departure lounge to support Jetstar's new regional services

INVEST FOR FUTURE GROWTH

Future investment

Auckland Airport

INVEST FOR FUTURE GROWTH

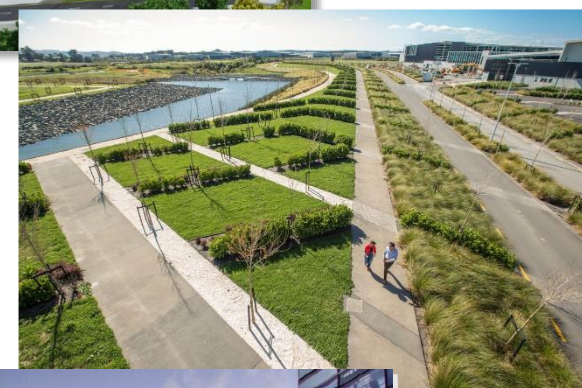
- **Phase 3** – International terminal expansion of core processing, passenger dwell space and retail footprint space will significantly improve passenger amenity. Estimated project value $160-180m. Adds approximately 65% to primary retail footprint. Delivered in three phases:
  - *December 2016*: Reconfigured landside farewell area including the first half of the two anchor duty free shops
  - *May 2017*: Remaining half of the two anchor duty free shops, and first half of the new passenger lounge and retail hub focussing on premium stores
  - *By early FY2018*: Remaining half of the new passenger lounge and retail hub providing additional specialty and F&B
- Careful development planning to minimise disruption to retail during international terminal expansion project
- **Phase 4** – International pier expansion. New bus lounge and remote stands commissioned in late calendar 2015 with construction of two new contact stands / lounges commencing shortly
- **Phase 5** – Future integrated terminal and new domestic processor targeting ~June 2021

Investment property

Auckland Airport

- Transformation of non-aeronautical land continues with Auckland Airport becoming an increasingly desired location for core logistics tenants and new industries
- Strong performance reflects the underlying demand in Auckland for close, connected and high quality sites. Continue to be optimistic on development outlook based on tenant enquiry.
- Leasing programme supporting ongoing lift in WALT to 5.26 as at 31 December 2015
- Successful speculative development programme continues with construction of a $13m four unit (flexi warehouse) on Timberley Road and Quad 7 office development (~9,000 sqm)
- Expanded development land with the completion of stage 3A of the Landing (8 hectares) in H1 FY16. Work commenced on Stage 3B to add a further 11 hectares

INVEST FOR FUTURE GROWTH



The Business District

Auckland Airport

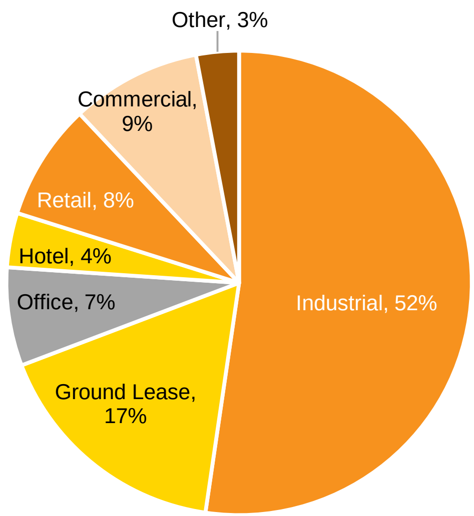
INVEST FOR FUTURE GROWTH

Portfolio Snapshot

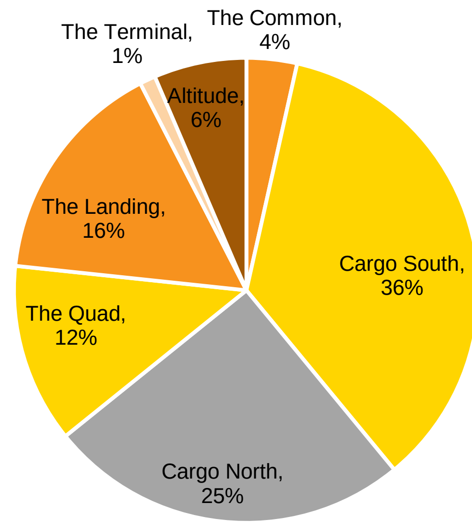
Auckland Airport

INVEST FOR FUTURE GROWTH

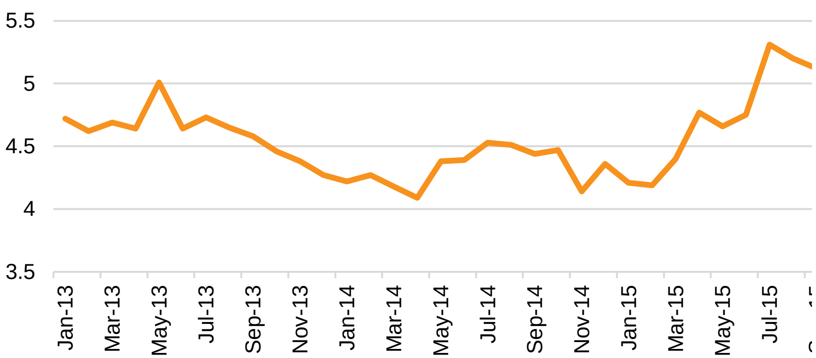
FY16 Revenue by Category



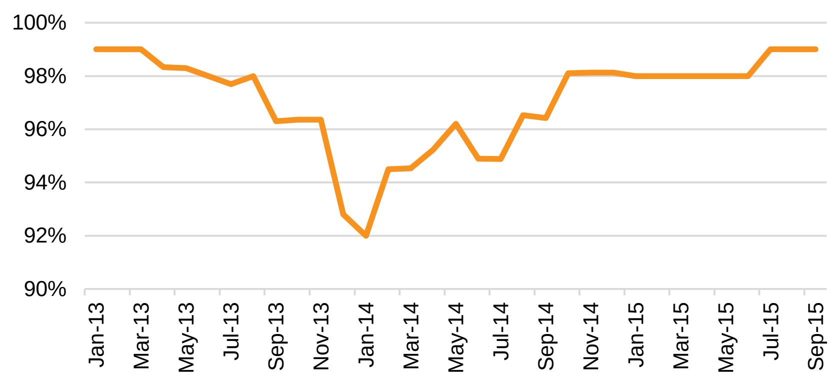
FY16 Revenue by Precinct



WALT



Occupancy

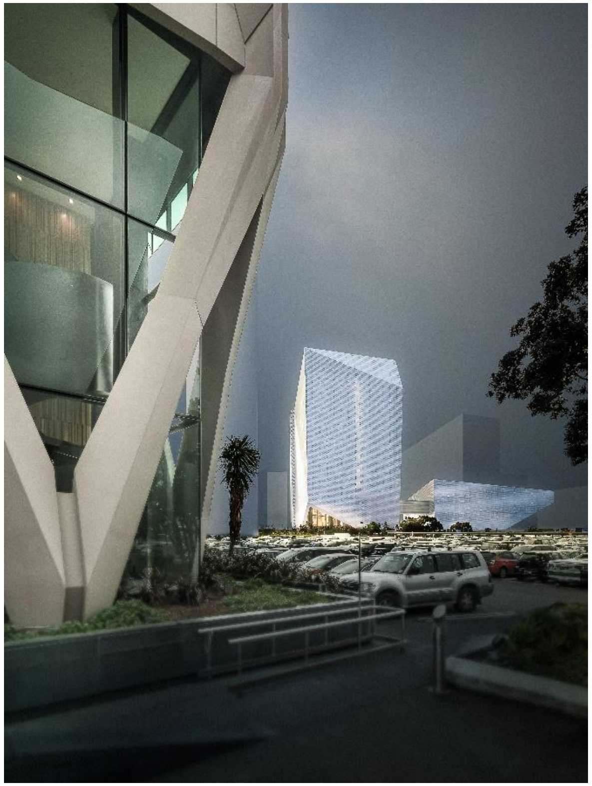


Hotels

Auckland Airport

INVEST FOR FUTURE GROWTH

- Auckland Airport is helping the industry deliver needed additional hotel rooms and our hotel performance strengthens from year to year. ~2,000 room increase forecast for Auckland over the next 3 years
- Existing hotels performing strongly
  - Novotel has stabilised occupancy at 87% with strong room rate growth
  - Ibis budget maintained occupancy at 89%, room rate up 5.4% after 50% expansion in December 2014
- Coherent suite of hotel products
  - Preferred operator selected for third hotel. Upgraded planned hotel to premium product with ~250 rooms. Leaves opportunity open for additional mid-market hotel in the future
  - Design commenced



Financial Results

FY16 interim results

Philip Neutze, chief financial office

Ongoing growth in financial performance

Auckland Airport

Auckland International Airport Group (NZ$'m)	6 months to 31 Dec 2015	30 Jun 2015	30 Jun 2014	30 June 2013	30 June 2012
Revenue	280.6	508.5	475.8	448.5	426.8
Expenses	67.1	128.5	120.6	117.6	107.5
Earnings before interest expense, taxation, depreciation, fair value adjustments and investments in associates (EBITDAFI)	**213.5**	**380.0**	**355.2**	**330.8**	**319.3**
Plant, property and equipment revaluation	-	(11.9)	4.1	-	-
Investment property fair value increase/ (decrease)	16.0	57.2	42.0	23.1	1.4
Derivative fair value increase / (decrease)	(0.7)	(0.7)	0.6	1.5	(2.1)
Share of profit/(loss) of associates	4.1	12.5	11.6	9.9	9.2
Earnings before interest expense, taxation and depreciation (EBITDA)	**232.9**	**437.1**	**413.5**	**365.3**	**327.7**
Depreciation	36.6	64.8	63.5	62.1	64.5
Interest expense and other financial costs	40.9	86.0	68.2	66.7	69.0
Taxation expense	39.6	62.8	65.9	58.6	52.0
Reported net profit after taxation	**115.8**	**223.5**	**215.9**	**178.0**	**142.3**
Underlying profit [1]	**104.1**	**176.4**	**169.9**	**153.8**	**139.0**
Capital expenditure	**112.1**	**147.6**	**121.5**	**93.5**	**83.1**

[1] A reconciliation showing the difference between reported net profit after tax and underlying profit (for the six moths 31 December 2015) after tax is included on the following slide.

Underlying profit reconciliation

Auckland Airport

	6 months to 31 Dec 2015			6 months to 31 Dec 2014		
	Reported earnings $M	Adjustments $M	Underlying earnings $M	Reported earnings $M	Adjustments $M	Underlying earnings $M
EBITDAFI	213.5	-	213.5	189.0	-	189.0
Share of profit from associates	4.1	2.7	6.8	5.4	0.1	5.5
Derivative fair value increases	(0.7)	0.7	-	(1.6)	1.6	-
Investment property revaluation	16.0	(16.0)	-	6.3	(6.3)	-
Depreciation	(36.6)	-	(36.6)	(30.8)	-	(30.8)
Interest expense and other finance costs	(40.9)	-	(40.9)	(43.7)	-	(43.7)
Taxation expense	(39.6)	0.9	(38.7)	(31.8)	(0.4)	(32.2)
Profit after tax	**115.8**	**(11.7)**	**104.1**	**92.8**	**(5.0)**	**87.8**

- We have made the following adjustments to show underlying profit after tax for the 6-month periods ended 31 December 2015 and 31 December 2014: We have reversed out the impact of revaluations of investment property in December 2015 and December 2014. An investor should monitor changes in investment property over time as a measure of growing value. However, a change in one particular year can be too short for measuring performance. Changes between years can be volatile and will consequently impact comparisons. Finally, the revaluation is unrealised and, therefore, is not considered when determining dividends in accordance with the dividend policy. The group recognises gains or losses in the income statement arising from valuation movements in interest rate derivatives which are not hedge accounted or where the counterparty credit risk on derivatives impact accounting hedging relationships. These gains or losses, like investment property, are unrealised interest rate derivative movements and are expected to reverse out over the lives of the derivatives. To be consistent we have reversed the revaluations of investment property and financial derivatives that are contained within the share of profit of associates in the periods to 31 December 2015 and 31 December 2014. We also reverse the taxation impacts of the above adjustments in the periods to 31 December 2015 and 31 December 2014.

Strong operating leverage

Auckland Airport

Half year financial results

	6 months to 31 Dec 2015 $m	6 months to 31 Dec 2014 $m	Change %
Revenue	280.6	251.4	11.6
Expenses	67.1	62.4	7.5
Earnings before interest, taxation, depreciation, fair value adjustments and investments in associates (EBITDAFI)	**213.5**	**189.0**	**13.0**
Share of profit from associates	4.1	5.4	(24.1)
Derivative fair value (decrease)/increase	(0.7)	(1.6)	(56.3)
Investment property revaluation	16.0	6.3	154.0
Depreciation expense	36.6	30.8	18.8
Interest expense	40.9	43.7	(6.4)
Taxation expense	39.6	31.8	24.5
Reported net profit after tax	**115.8**	**92.8**	**24.8**
Underlying profit after tax	**104.1**	**87.8**	**18.6**

- The following slide provides a reconciliation between reported net profit after tax and underlying profit after tax

Associates' strong underlying profit

Auckland Airport

	6 months to 31 December 2015	6 months to 31 December 2014	Change %
Queenstown Airport (24.99% ownership)	**$M**	**$M**	
Total Revenue	15.7	13.0	20.8
EBITDAFI	11.7	9.2	27.2
Domestic Passengers	565,595	498,506	13.5
International Passengers	264,965	221,286	19.7
Underlying Earnings (Auckland Airport share)	1.5	1.2	25.0
North Queensland Airports (24.55% ownership)	**AU$M**	**AU$M**	
Total Revenue	69.2	65.7	5.3
EBITDAFI	44.0	43.1	2.1
Domestic Passengers (Cairns + Mackay)	2,698,748	2,697,118	0.1
International Passengers (Including transits) (Cairns)	371,215	309,839	19.8
Underlying Earnings (Auckland Airport share)	NZ$4.5	NZ$3.7	21.6
Novotel Tainui Holdings (20.00% ownership)	**$M**	**$M**	
Total Revenue	12.6	11.4	10.5
Net Profit Before Depreciation	4.0	3.3	21.2
Average occupancy	89%	88%	1.1
Average room rate increase	11.4%	5.4%	
Underlying Earnings (Auckland Airport share)	0.8	0.6	33.3

Passenger growth underpinning performance

Auckland Airport

Auckland Airport passenger movements

	6 months to 31 December 2015	6 months to 31 December 2014	Change %
International arrivals	2,209,520	2,054,639	7.5
International departures	2,070,923	1,937,548	6.9
International passengers excluding transits	**4,280,443**	**3,992,187**	**7.2**
Transit passengers	275,242	263,470	4.5
Total international passenger movements	**4,555,685**	**4,255,657**	**7.1**
Domestic passengers	**3,850,332**	**3,624,754**	**6.2**
Total passenger movements	**8,406,017**	**7,880,411**	**6.7**

- Consistent growth across international, transit and domestic passengers
- Consistent growth across geographical markets (11.4% Asia, 9% Americas, 5.7% Trans-Tasman routes)
- More than one third domestic capacity growth in the period serves regional airports:
  - JQ - 50 seat Q300 - on Nelson & Napier Dec 15 / New Plymouth & Palmerston North Feb 16
  - Air NZ placed 68 seat ATRs on the same routes and completed upgauging from 737 to A320 on trunk routes

Runway movements growing again

Auckland Airport

Aircraft movements and MCTOW

	6 months to 31 December 2015	6 months to 31 December 2014	Change %
Aircraft movements			
International aircraft movements	24,342	23,678	2.8
Domestic aircraft movements	53,351	53,203	0.3
Total aircraft movements	**77,693**	**76,881**	**1.1**
MCTOW (tonnes)			
International MCTOW	2,366,918	2,281,692	3.7
Domestic MCTOW	1,016,149	955,556	6.3
Total MCTOW	**3,383,067**	**3,237,247**	**4.5**

- Recent trend of declining runway movements due to upgauging has reversed:
  - New carriers adding capacity via additional aircraft (strong FY16 driver)
  - Existing carriers getting closer to optimal configuration
  - We expect runway movements to keep growing, albeit slower than passenger growth

Strong revenue growth across business

	6 months to 31 December 2015 $m	6 months to 31 December 2014 $m	Change %
Airfield income	50.2	46.9	7.0
Passenger services charge	75.5	69.5	8.6
Retail income	78.6	64.8	21.3
Car park income	26.0	23.4	11.1
Investment property rental income	28.0	24.1	16.2
Other rental income	7.6	7.0	8.6
Other income	14.7	15.7	(6.4)
Total revenue	**280.6**	**251.4**	**11.7**

- A quarter of international aero revenue growth is due to FY16 price increase, the balance is volume driven
- At half year we have achieved nearly 80% of entire FY15 domestic passenger growth
- Completed investment property developments in H1 and full year impact of FY15 additions dominate investment property rental growth, but also good rent reviews
- Carried lower cash balances over H1 versus PCP to optimise balance sheet

Controlling expense growth

Auckland Airport

	6 months to 31 December 2015 $m	6 months to 31 December 2014 $m	Change %
Staff	22.4	22.1	1.4
Asset management, maintenance and airport operations	23.5	21.6	8.8
Rates and insurance	5.7	5.4	5.6
Marketing and promotions	6.3	6.0	5.0
Professional services and levies	4.4	3.8	15.8
Other	4.8	3.5	37.1
Total operating expenses	**67.1**	**62.4**	**7.5**
Depreciation	36.6	30.8	18.8
Interest expense	40.9	43.7	(6.4)

- Costs contained, not withstanding high passenger growth. Expense growth areas reflect:
  - Variable costs to drive revenues (e.g. Ibis hotel, Emperor Lounge, Valet and ParknRide)
  - Network utilities strategy work (e.g. electricity, gas, water and roads)
  - Increased health & safety and infrastructure planning resourcing
- Staff costs stabilised following changes to executive long term incentive plans
- Interest expense benefitted from planned floating rate exposure increases and very strong debt raising outcomes

Building on a foundation of success

Look back – celebrating 50 years

- Celebrated 50th anniversary on 29th January and can reflect on 50 years of continuous growth
- Passenger volumes have grown from 750k in the first year to over 16m during the last 12 months
- While our business has evolved over time, it remains anchored in the strong core business of facilitating aircraft and passenger movements

Looking ahead – updated guidance

- Updated underlying profit after tax guidance of $200 million to $206 million (previously $183 million to $191 million)
- Capital expenditure guidance is unchanged from October 2015 of between $230 million to $260 million (including approximately $135 million of aeronautical capital expenditure)
- This guidance is subject to any material adverse events, significant one-off expenses, non-cash fair value changes to property and deterioration due to global market conditions or other unforeseeable circumstances

Auckland Airport