

Annual Results

12 months ended 30 June 2006

Don Huse, CEO

Robert Sinclair, CFO



Haere mai - Welcome to Our Airport

Summary of 2006 results

- International pax (excl. transits / transfers) +1.3%
- Domestic pax +2.8%
- Revenue \$305.814m +8.2%
- EBITDA \$240.161m +8.4%
- Revenue and EBITDA growth similar to FY05
- Surplus after tax \$103.155m -2.4%
- Adjusted for interest costs / asset sales +3.2%
- Final dividend 4.45 cps \$54.313m (FY05 4.45 cps)
- Total dividend 8.20 cps (\$100.098m) (97% payout)



- Positive long-term pax growth driven by lower NZ\$
- Aircraft upgrades and new schedules will drive demand
- Enhancing facilities to accommodate 3-5 years growth
- Commercial approach to consultation - negotiated outcome
- Retail spend and yield turnaround
- Expanding retail offerings, plus car parks
- Accelerating property development, significant land bank
- Experienced board / management focussed on shareholder value
- Strongly positioned for future revenue and earnings growth



Financial overview

	FY06 \$m	FY05 \$m	% change
Total revenue	305.8	282.7	+8.2
Operating expenses ¹	65.6	61.2	+7.4
EBITDA	240.2	221.5	+8.4
Depreciation	38.5	31.9	+20.7
Interest expense	54.9	36.2	+51.7
Surplus before taxation	146.7	153.4	-4.4
Taxation	43.5	47.8	-9.0
Surplus after taxation ²	103.2	105.6	-2.4
Earnings per share (cps)	8.44	8.65	-2.4

¹ Includes \$2.1m of one-off expenses in FY06 relating to loss on disposal of assets (\$1.5m) and restructuring costs (\$0.6m).

² Includes approx. \$6.6m of interest costs (after tax) associated with the funding of the special distribution to shareholders, \$1.9m sale of residential properties in 2H06 and \$1.3m sale of radio licence in 1H05.

Ordinary dividends

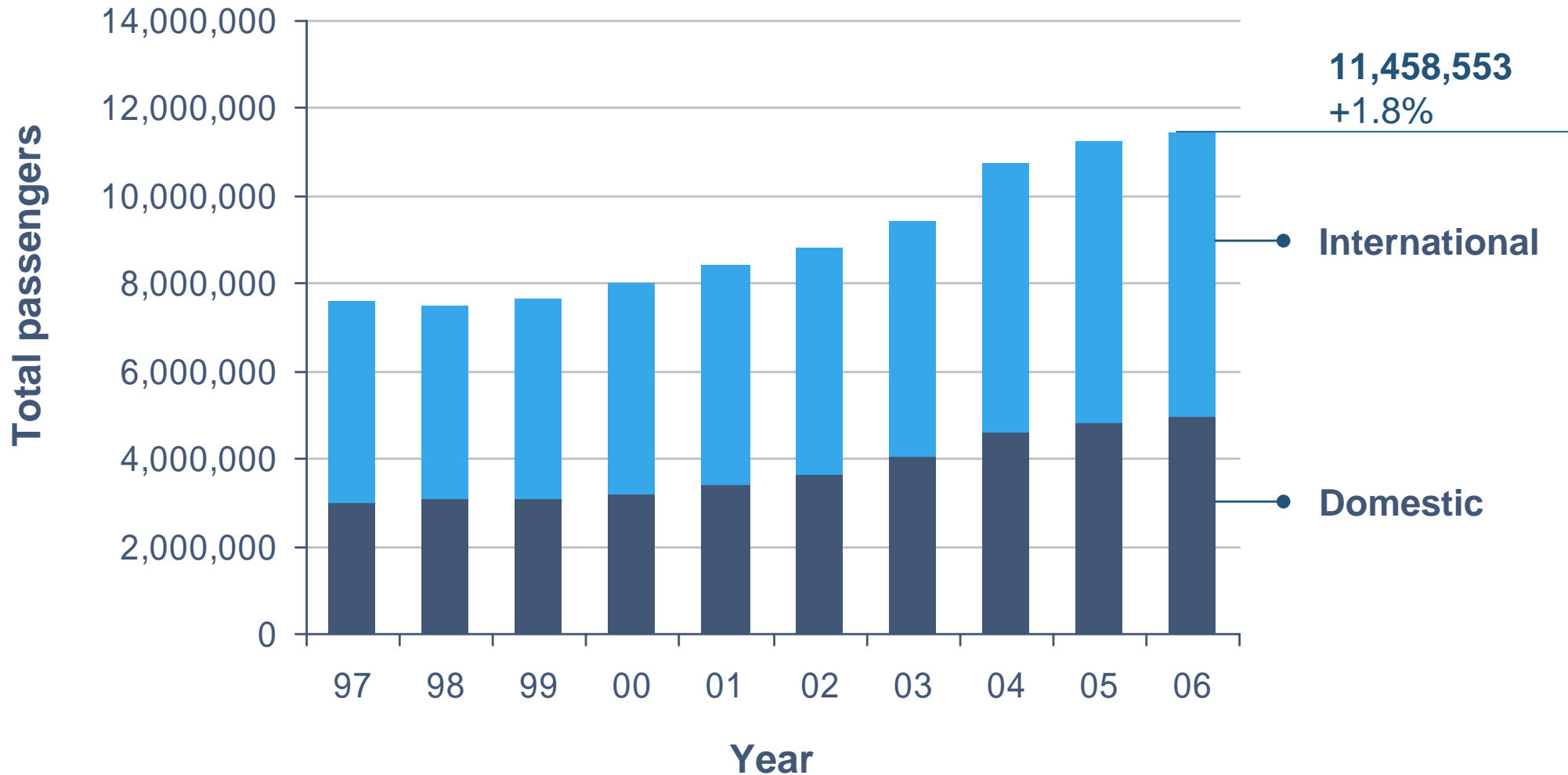
	FY06	FY05
Interim – cents per share (cps)	3.75	3.75
Final cps	4.45	4.45
Total cps	8.20	8.20
TOTAL AMOUNT	\$100.098m	\$100.242m
Earnings per share (cps)	8.44	8.65
Payout ratio	97%	95%
Shares on issue at 30 June	1,220,509,639	1,222,685,236

- Fully imputed
- Books close 13 October, paid 20 October

AIAL passenger movements – FY06

	FY06	FY05	% change
International pax	6,213,647	6,133,899	+1.3
Transits and transfers	286,120	298,262	-4.1
Total international pax	6,499,767	6,432,161	+1.1
Domestic pax	4,958,786	4,823,916	+2.8
TOTAL PAX MOVEMENTS	11,458,553	11,256,077	+1.8

AIAL passenger movements – 10 years



Arriving passengers at Auckland by country

Country of last permanent residence	FY06	% of total	FY05	% of total	Movement	% change
New Zealand	1,364,348	44.5	1,333,836	43.9	30,512	+2.3
Australia	502,828	16.4	493,576	16.3	9,252	+1.9
UK (incl. Ireland)	250,725	8.2	257,152	8.5	-6,427	-2.5
USA	180,174	5.9	173,304	5.7	6,870	+4.0
China (incl. HK)	112,863	3.7	104,428	3.4	8,435	+8.1
Japan	97,932	3.2	108,533	3.6	-10,601	-9.8
South Korea	80,784	2.6	88,950	2.9	-8,166	-9.2
Germany	43,142	1.4	42,793	1.4	349	+0.8
Canada	36,900	1.2	35,088	1.2	1,812	+5.2
Taiwan	25,695	0.8	25,490	0.8	205	+0.8
Singapore	23,113	0.8	25,261	0.8	-2,148	-8.5
India	17,477	0.6	15,700	0.5	1,177	+11.3
Others	331,877	10.8	332,849	11.0	-972	-0.3
TOTAL	3,067,858	100.0	3,036,960	100.0	30,898	+1.0

Source: Statistics NZ

Aircraft statistics – FY06

	FY06	FY05	% change
Aircraft			
International movements	38,757	38,465	+0.8
Domestic movements	122,136	119,987	+1.8
TOTAL AIRCRAFT MOVEMENTS	160,893	158,452	+1.5

Cargo

Cargo handled (tonnes)	231,938	229,348	+1.1
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MCTOW (maximum certificated take-off weight)

International (tonnes)	4,186,813	4,140,882	+1.1
Domestic (tonnes)	1,639,690	1,586,692	+3.3
TOTAL MCTOW (tonnes)	5,826,503	5,727,574	+1.7



Revenue analysis

	FY06 \$m	%	FY05 \$m	% change
Aeronautical				
Airfield	67.4	22.0	66.3	+1.7
Development charge	60.4	19.7	49.5	+22.0
Terminal services charge	17.3	5.7	13.9	+24.5
Total aeronautical revenue	145.1	47.4	129.7	+11.9
Non-aeronautical				
Retail	86.7	28.4	84.7	+2.4
Rental	31.5	10.3	29.2	+7.9
Car parks	24.8	8.1	23.4	+6.0
Utilities and general	16.5	5.4	14.8	+11.5
Interest	0.5	0.2	0.1	+400.0
Associated companies	0.7	0.2	0.8	-12.5
Total non-aeronautical revenue	160.7	52.6	153.0	+5.0
TOTAL REVENUE	305.8	100.0	282.7	+8.2

Expense analysis

	FY06 \$m	%	FY05 \$m	% change
Staff	25.9	16.3	24.0	+7.9
Repairs and maintenance	20.5	13.0	18.5	+10.8
Rates and insurance	5.8	3.6	5.5	+5.5
Other	13.4	8.4	13.2	+1.5
Total operating expenses ¹	65.6	41.3	61.2	+7.2
Depreciation	38.5	24.2	31.9	+20.7
Interest	54.9	34.5	36.2	+51.7
TOTAL EXPENSES	159.0	100.0	129.3	23.0

¹ Includes \$2.1m of one-off expenses in FY06 relating to loss on disposal of assets (\$1.5m) and restructuring costs (\$0.6m).

Statement of financial position

	June 06 \$m	June 05 \$m
Non-current assets	2,731	1,262
Current assets	27	18
TOTAL ASSETS	2,758	1,280
Non-current liabilities	602	403
Current liabilities	301	419
Equity	1,855	458
TOTAL EQUITY AND LIABILITIES	2,758	1,280
Equity ratio	67.3%	35.8%
Debt to enterprise value	24.5%	18.0%
Credit rating – long-term	A	A
– short-term	A-1	A-1

Key financial ratios

	FY06	FY05
Operating margin	78.5%	78.4%
Effective tax rate	29.7%	31.1%
Debt / debt + equity	31.7%	58.4%
Capex / depreciation (times)	2.8	3.6
Interest cover (times)	3.5	4.9
Operating staff numbers	278	283

Operating efficiencies

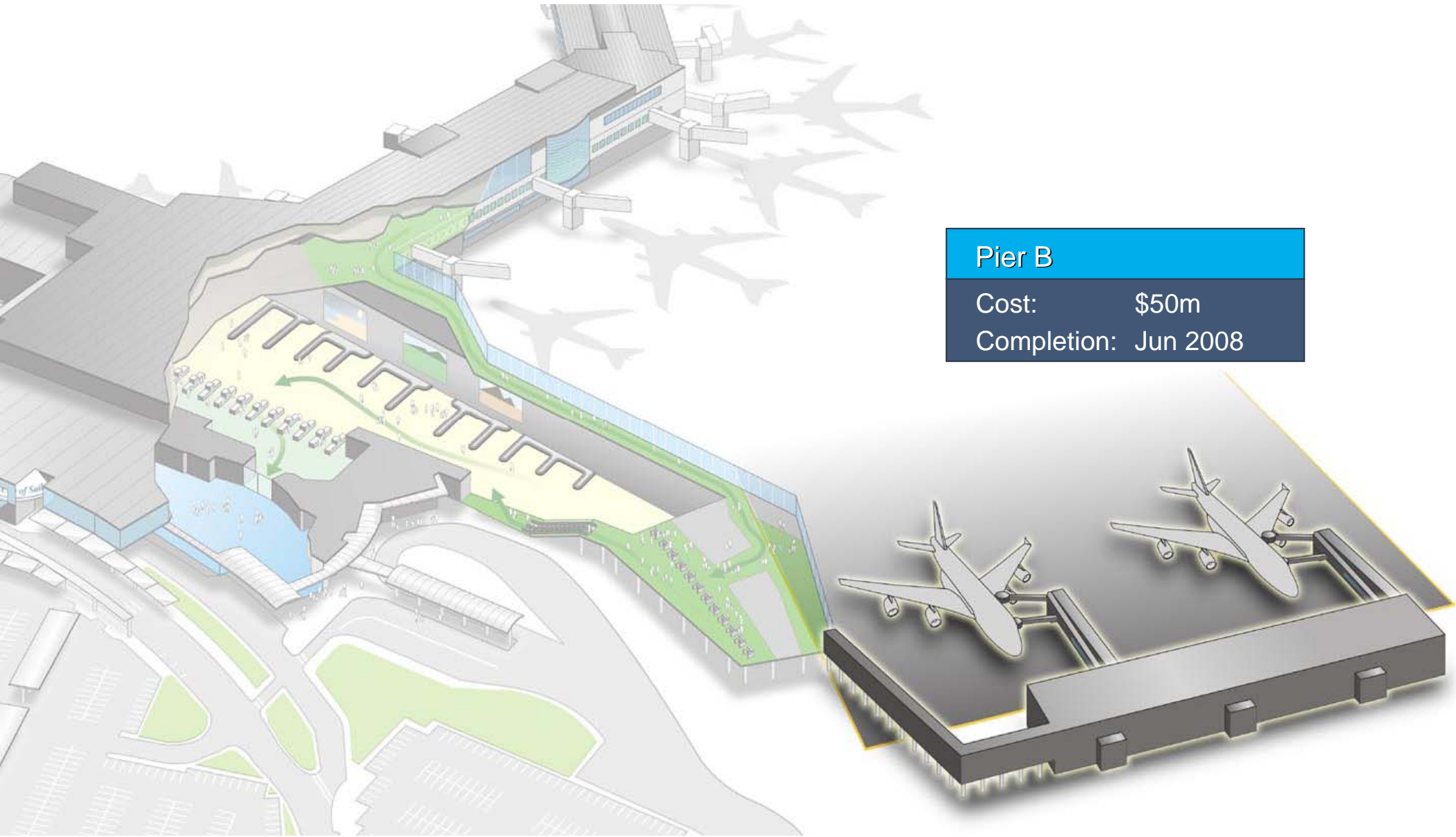
	FY06	FY05
Passengers per operating staff	41,218	39,774
Operating revenue per operating staff	1,100,051	999,028
Operating revenue per pax	\$26.69	\$25.12
Retail revenue per international pax	\$13.34	\$13.17
Car park revenue per pax	\$2.22	\$2.14
Operating staff costs / operating revenue	8.5%	8.5%

Aeronautical update

- Aeronautical revenue + 11.9%
- ADC increased \$5 at 1 October 2005
- TSC uplift from new space
- New aeronautical division established
- International expanded arrivals
- Air NZ domestic renovation underway
- Pier B (2 gates) approved (subject to agreeing final pricing)
- Cost \$50m
- Recoveries from ADC and TSC
- Completion June 2008



Overview of Pier B



Pier B

Cost: \$50m

Completion: Jun 2008

Aeronautical consultation update

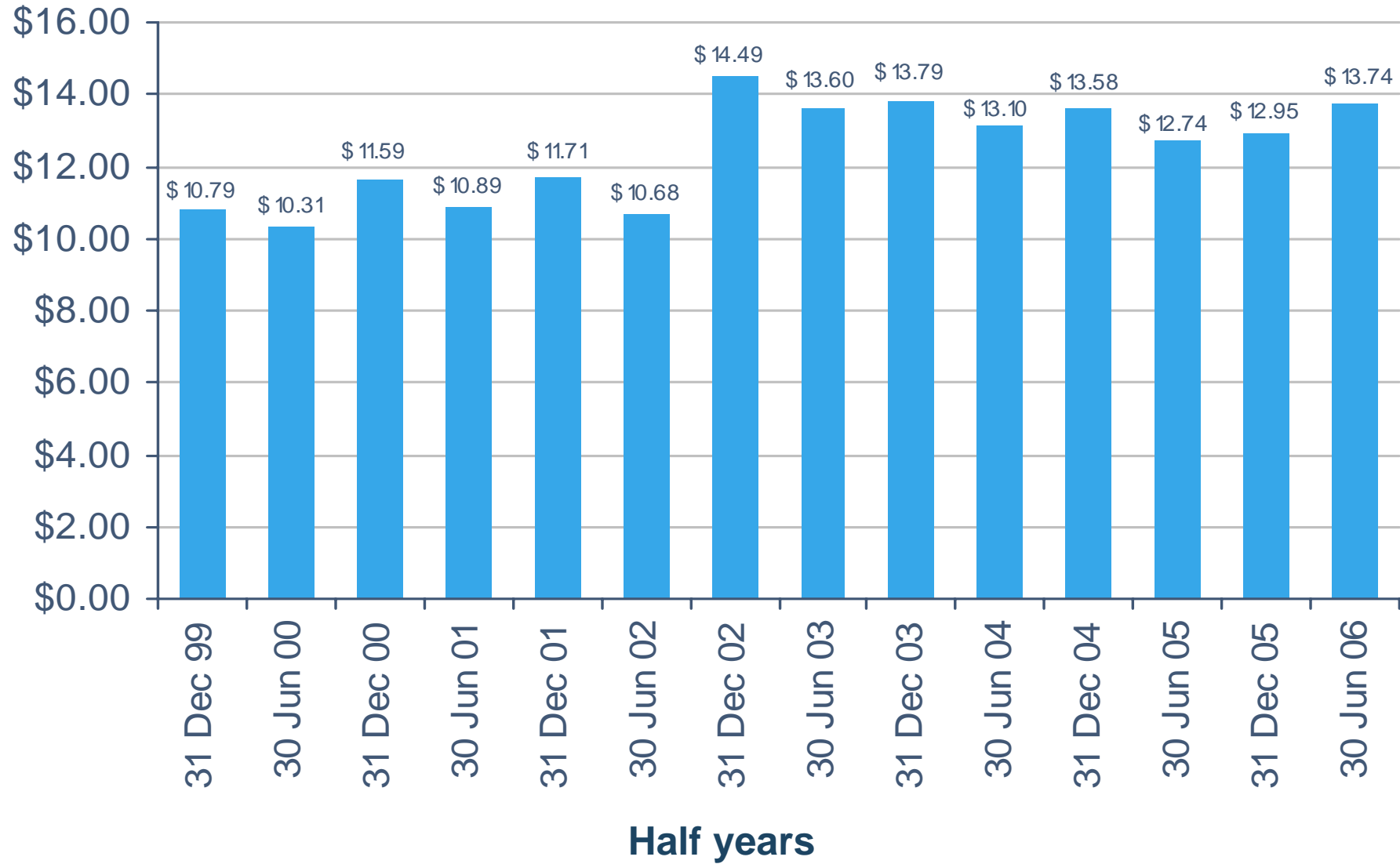
- Commenced August 2004
- Significant exchange of information
- Comprehensive proposal delivered
- Key considerations:
 - timeframe between resets
 - level of aeronautical investment
 - treatment of revaluations
- AIAL seeking constructive engagement and negotiated outcome
- Current regulatory environment supportive of continued investment



- Retail income +2.4%
- 2H06 rebound following Pier A
- Income per international pax \$13.34 (+1.3%)
- 2H06 \$13.74 (+6.1% vs 1H06)
- Pax spend rates improving
- Domestic terminal retail precinct fully let, opens December 2006
- International terminal expanded arrivals duty free
- Progressing significant international departures expansion



Retail income per international passenger



Car parking update

- Car park income +6.0%
- Solid growth from domestic
- Total of 8,449 spaces +10.6%
- Includes new multi-level facility
- Dedicated business parking
- Initial take-up of new facility positive
- Public rates last revised 1 July 2005



- Rental income +7.9%
- \$6.1m invested during the year
- New developments of \$23.1m:
 - Air NZ cargo expansion (\$3.1m)
 - NZ Van Lines (\$7.8m)
 - Fliway Logistics (\$5.0m)
 - Expeditors (\$6.1m)
 - Lollipops childcare (\$1.1m)
- Chris Gudgeon appointed GM property
- Development pipeline accelerating



Capex FY06

	\$m	Key projects
Airfield	30.1	Completion of rehabilitation and A380 widening
International terminal	42.8	Separation of the pier and hold stow baggage screening facility
Domestic terminal	4.2	Forecourts, commencement of the Air NZ domestic renovation, new retail precinct and miscellaneous items
Car parking	16.5	Domestic multi-level facility
Infrastructure and other	9.8	Roading, land subdivision and utilities
Property development	6.1	Fliway Logistics and NZ Van Lines
TOTAL	109.5	

Capex estimates FY07 to FY08

	FY07 \$m	FY08 \$m
Airfield	9	20
International terminal:		
Expanded arrivals	34	38
Pier B	12	32
Expanded departures / retail	6	28
Domestic terminal renovation	21	5
Car parking	1	0
Infrastructure and other	22	12
Property development	22	22
TOTAL CAPEX	127	157

- FY09 capex (excl. property) of \$50 - \$70 m

Update on investment programme

International check-in

Cost: \$12m
Completed: Dec 2004

Int'l expanded arrivals

Cost: \$100m
Completion: Apr 2008

Pier B

Cost: \$50m
Completion: Jun 2008

Pier B hardstands

Cost: \$28m
Completed: Dec 2004

Pier A separation

Cost: \$47m
Completed: Dec 2005

Hold stow baggage

Cost: \$29m
Completed: Dec 2005

Domestic retail precinct

Cost: \$11m
Completion: Dec 2006

Air NZ terminal renovation

Cost: \$18m
Completion: Dec 2007

DTB multi-level car park

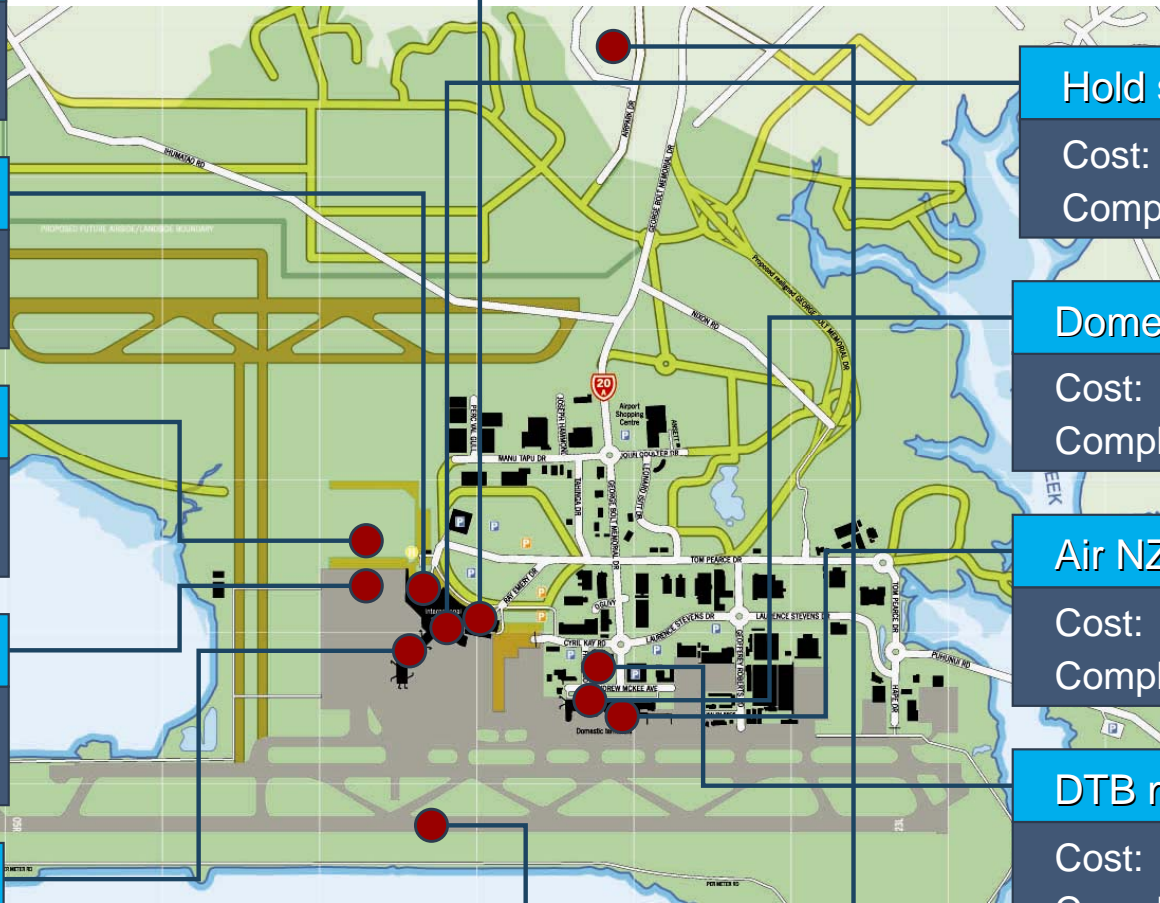
Cost: \$15m
Completed: Jul 2006

Property developments

Cost: \$23m
Completion: Feb 2007

Runway rehabilitation

Cost: \$37m
Completed: May 2006



- Solid result in more challenging environment
- Positive long-term pax outlook remains
- Investment programme well underway, ends FY08
- Commercial and pragmatic approach to consultation
- Focussed on non-aeronautical growth opportunities
- Retail yield improving, new developments progressing
- Property pipeline accelerating
- Demand environment subdued in short-term
- FY07 surplus after tax similar to FY06 result
- Strongly positioned for future revenue and earnings growth



Auckland International Airport Limited

