



**A50**YEARS

Delivering results  
From 1966 - 2016

**Adrian Littlewood**  
Chief Executive

**Philip Neutze**  
Chief Financial Officer

# Agenda

2016

Investor Roadshow

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# Auckland Airport at a glance

2016

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**17.3 million**  
annual passengers

**91%** share of long haul arrivals to New Zealand

- 26 international airlines announced
- 4 international freight airlines
- 44 international destinations
- 19 domestic destinations
- 229,000 tonnes of cargo each year

## Auckland Airport in 2016



**157,000+**  
flights each year

**135+**  
international flights each day

**295+**  
domestic flights each day

**74%** share of international visitors to New Zealand

**6.6%** average annual passenger growth over 50 years



Secured consents for the future



**1,500**  
hectares of land



**3,635**  
metres of runway



24 x 7 operation,  
365 days a year



**900+**  
businesses



**20,000+**

people working at  
and around the airport

**100+**  
shops,  
cafés and  
restaurants

**2** hotels

# Why invest in Auckland Airport?

2016

Investor Roadshow

- ✓ Largest listed corporate in New Zealand with a market capitalisation of NZ\$8.0 billion (US\$5.9 billion) and debt of NZ\$1.9 billion (US\$1.4 billion)<sup>1</sup>
- ✓ Second most highly traded stock on NZX10 by value over the last twelve months<sup>2</sup>
- ✓ Five year average shareholder return of 26.1%
- ✓ Ideal platform for exposure to buoyant local economy and very strong tourism and investment property growth
- ✓ Attractive macro environment continues to support strong tourism and investment property growth
- ✓ Significant investment underway to accommodate the ongoing growth in passengers, aircraft and businesses operating at the airport
- ✓ Supported by a clearly articulated Faster, Higher Stronger strategy



<sup>1</sup> Market capitalisation on 14 September 2016, total debt at 30 June 2016

<sup>2</sup> As at 15 September 2016



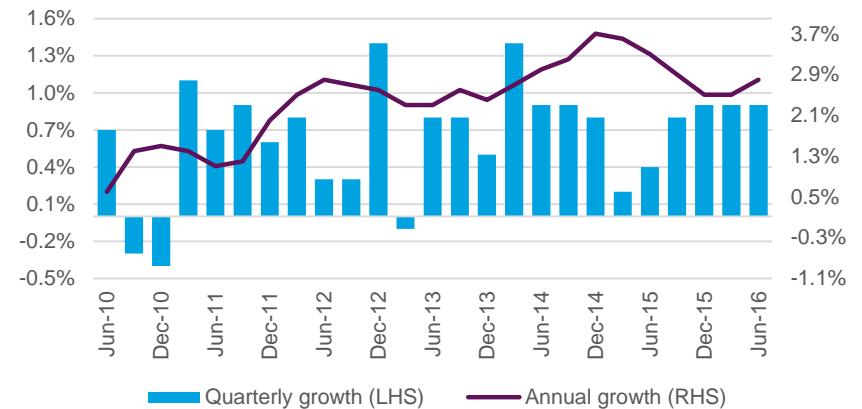
# Company overview



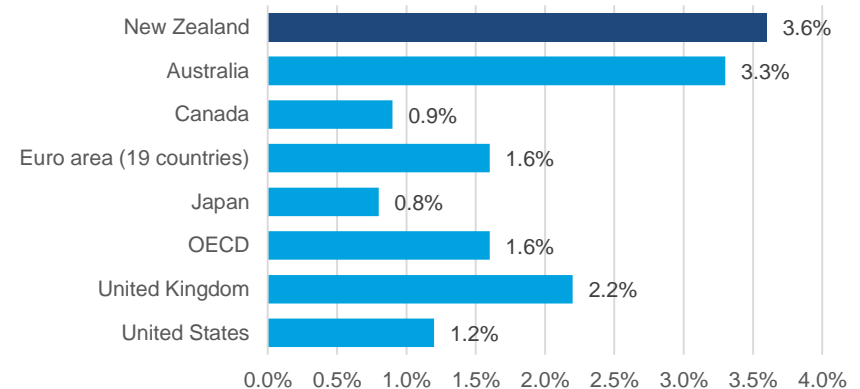
# Robust momentum in the New Zealand economy

- The New Zealand economy has strong momentum supported by high inward migration, construction and tourism activity combined with supportive monetary policy settings
- At June 2016 New Zealand's GDP grew 3.6% compared to the same quarter in 2015, ahead of most of our trade partners
- Annual average real GDP growth is expected to be 2.9% in June 2017 and 3.2% in 2018<sup>1</sup>
- New Zealand's population is 4.7 million<sup>2</sup> and the country is experiencing historic high net migration
  - net gain of 69,000 migrants in the Jul-16 year led by India, China, Philippines and the UK<sup>2</sup>
- Tourism sector experiencing strong growth with total international visitor arrivals up over 10% in 2016 to 3.3 million and spend up 18% on the prior year<sup>3</sup>

**Gross domestic product (real)**  
Quarterly growth and annual growth



**GDP % change from same quarter previous year (as at Jun-16)**



Source: Statistics New Zealand



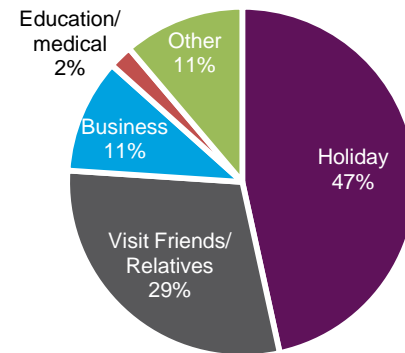
# Auckland is one of the fastest growing regions

- Auckland accounts for 36.6% of New Zealand's GDP and is unique in the world in its scale to the national economy<sup>1</sup>
- With an estimated population of 1.6 million people, the Greater Auckland region is home to 34 out of every 100 New Zealanders and is one of the fastest growing regions in the country<sup>2</sup>
- Auckland is New Zealand's centre for commercial, industrial, residential and migration growth
- Auckland is also one of the most culturally diverse cities in the world with 39% its population born overseas<sup>3</sup>
- Auckland Airport delivers very resilient passenger growth with a broad purpose of visit (Holiday, Visit Friends/Relatives, Business, Education)

GDP growth by region<sup>1</sup>



Purpose of visit for international arrivals



1 Statistics New Zealand  
2 New Zealand Treasury  
3 World Migration Report 2015



# Regulatory environment

## Overview

- 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

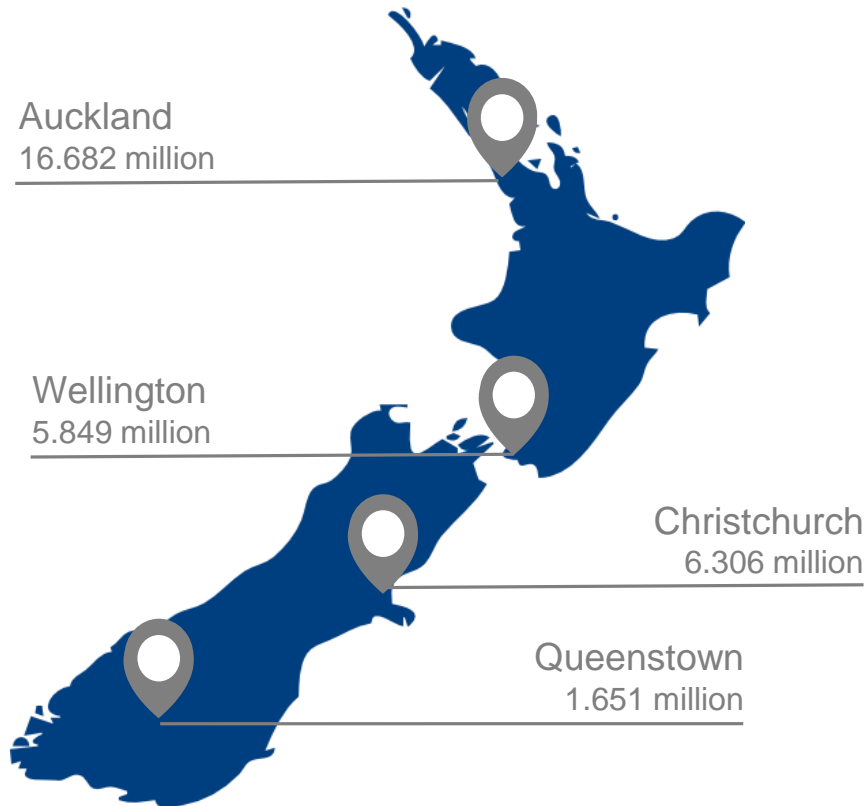
## Ongoing Commerce Commission review

- The Commerce Commission's review of the current Input Methodologies ("IM") is expected to finish in December 2016
- The Commission's draft decision on the IM review was released in June reaffirming that the Commission does not set prices for airport services and that its focus is on ensuring there is transparency in relation to the pricing decisions made by the airports
- Auckland Airport's FY18-22 aeronautical price path consultation with major airlines and representatives began in early FY17, with final pricing decision expected in May 2017



# Auckland Airport is the busiest in New Zealand

## Busiest international airports by passenger numbers



- 74% of international passengers to New Zealand arrive or depart from Auckland Airport and 91% of total long haul arrivals
- Auckland Airport is the only commercial airport in New Zealand's largest city
- No curfew, operating 24 hours a day
- Single 3,635m runway and associated taxiways and aprons, able to accommodate all current aircraft types, including A380 and Boeing 787 Dreamliner
- Main taxiway can function as a standby runway in emergencies
- Future Northern runway 2,150m (parallel to main runway) will cater for Auckland's aviation requirements for the foreseeable future

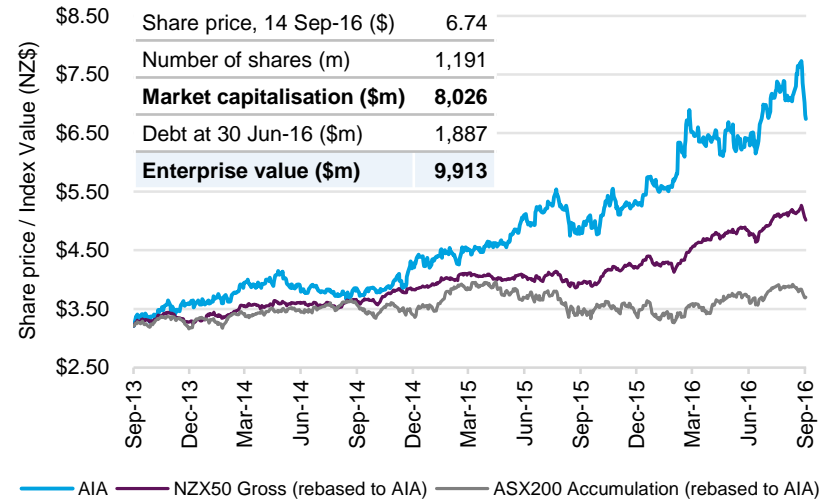
Passengers excluding transits in the year ended June 2016

# Auckland Airport

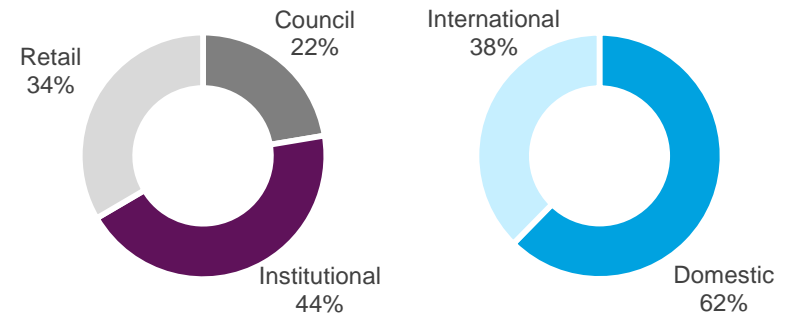
- Auckland Airport is the fourth busiest airport in Australasia
- It is one of New Zealand’s most important infrastructure assets, and the largest NZX listed company with a \$8.0bn market capitalisation
- Listed on the NZX and ASX (AIA ticker)
- FY16 Revenue of \$574m and EBITDAFI of \$430m, both up 13% on FY15
- Auckland Airport operates through three key segments:

<b>Aeronautical</b>	Aircraft, passenger, cargo and utility services
<b>Retail</b>	Retail services and car parking for passengers, visitors and airport staff
<b>Property</b>	Rental revenue from space leased on airport and land outside the terminals including hotels

**AIA stock price vs NZX50 and ASX200**



**AIA share register (31 Aug-16)**



# Connecting New Zealand to the world

2016

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Aeronautical

Retail

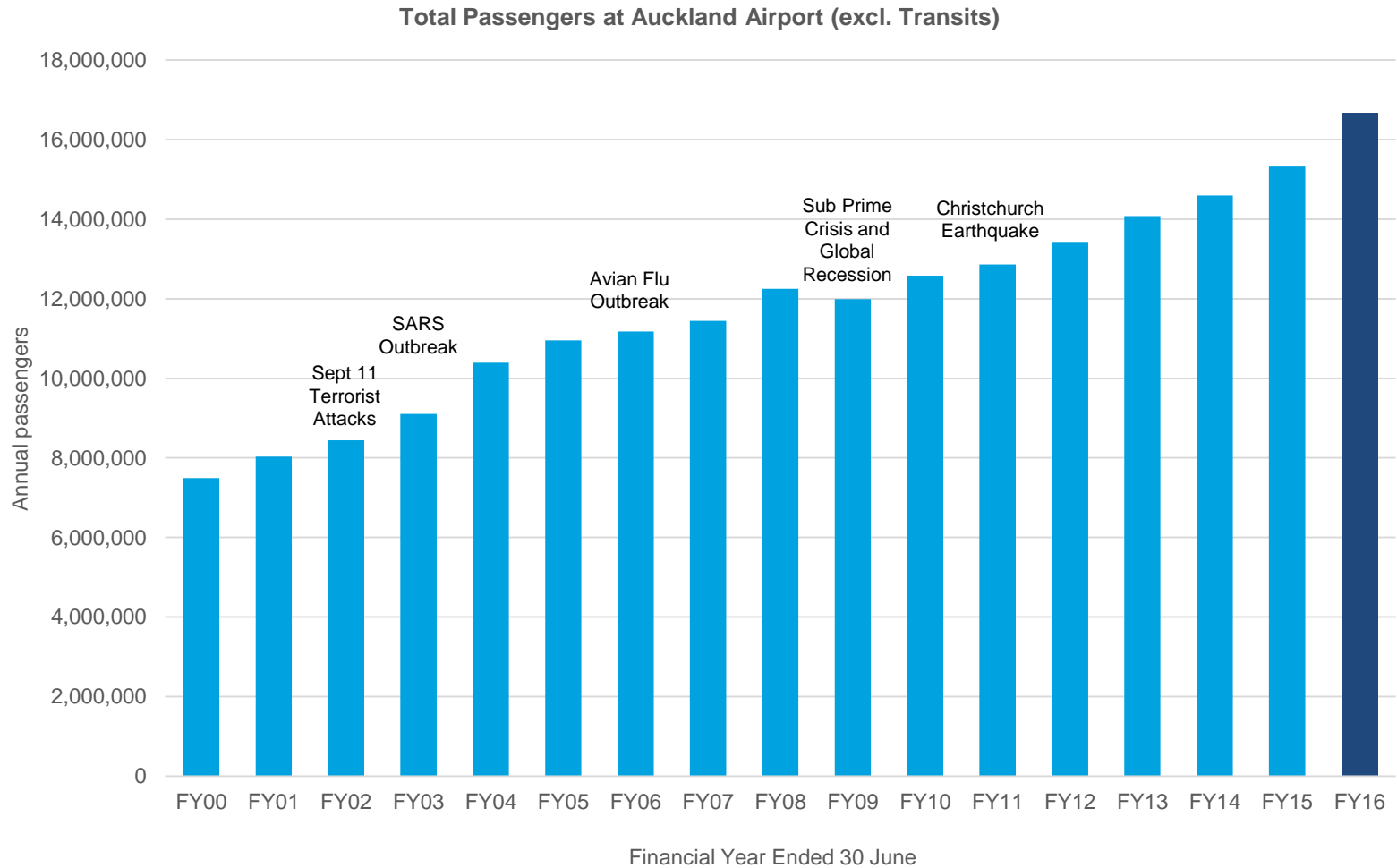
Property

## Auckland Airport connects New Zealand to 44 international destinations



- Auckland Airport's focus on increasing connectivity and working closely with airlines has helped achieve a 6.6% average annual passenger growth over 50 years
- Auckland Airport welcomes travellers from established, emerging and new destinations like Buenos Aires, Dubai, Shanghai, Houston and Ho Chi Minh City

# Proven passenger growth

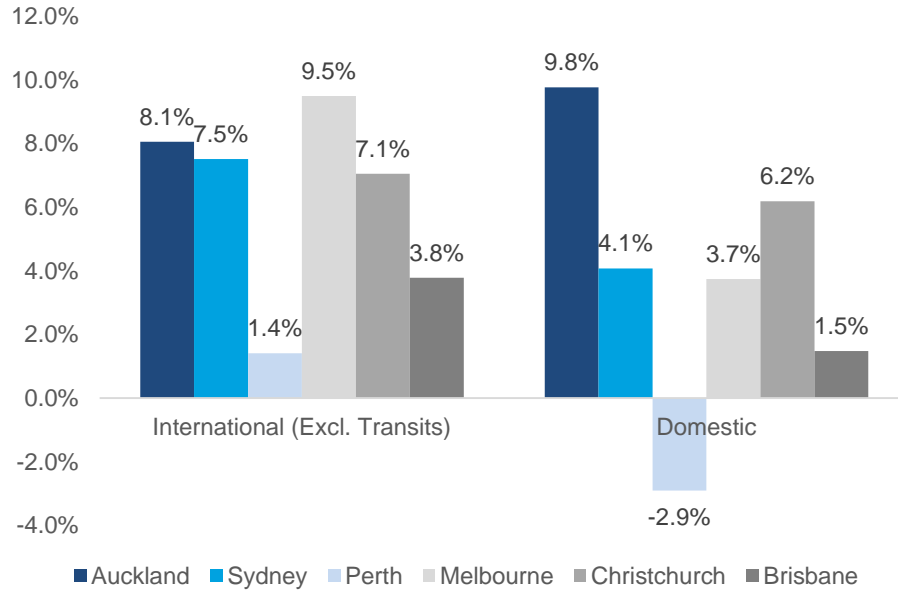


- Continued growth demonstrates resilience to global economic weakness and other external shocks

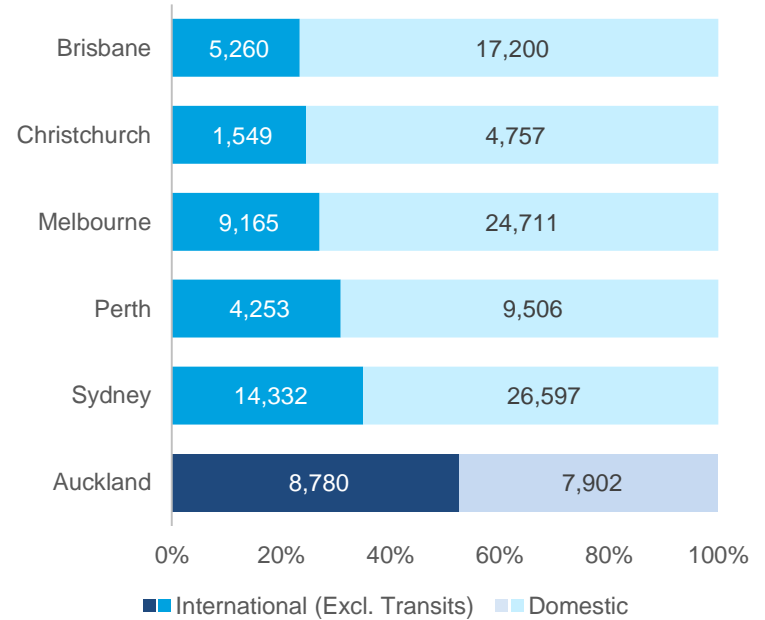


# Compares favourably to Australasian airports

## FY16 passenger growth rates %



## International vs domestic passenger mix



- Auckland Airport experienced high FY16 passenger growth compared to the other main Australasian airports
  - highest rate of domestic passenger growth
  - second highest rate of international passenger growth (after Melbourne)
- Auckland Airport has the highest proportion of international passengers of all Australasian airports





# Diverse retail offering

2016

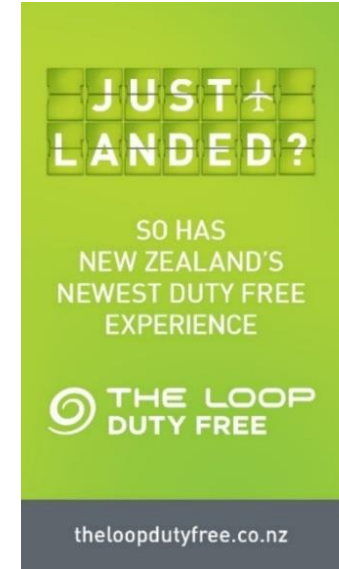
Investor Roadshow

Aeronautical

Retail

Property

- The retail business operates through concessions
- 103 retail stores located across the domestic and international terminals with a growing and affluent footfall<sup>1</sup>
- 8 retailers also available through Auckland Airport's online market place
- Two new world-class duty free operators with enhanced store fit-outs and refreshed product mix were established in early FY16
- Strong passenger growth, new commercial agreements in duty free, and a shift to higher concession products contributed to 19.3% growth in FY16 retail income
- Retail income per passenger increased 10.1% to \$17.36 in FY16



<sup>1</sup> At FY16, excluding foreign exchange kiosks

# Strong car park growth

- Auckland Airport provides travellers and staff with ~10,000 parking spaces
- Options range from premium valet to Park&Ride at different price points

		Spaces at Jun-16
1. Domestic Terminal	✓ Multi-level car park with direct connectivity into terminal	2,541
2. International Terminal	✓ Proximate short-term and long term parking options	3,596
3. Park&Ride	✓ Prominent location, 24/7 shuttle with transfers every 10 minutes, GPS, High Security	1,161
4. Valet	✓ Ultra-convenient drive up solution for premium customers	413
5. Staff	✓ Spaces can be leveraged for customer parking at peak times	2,317

- Parking revenue grew ahead of passenger growth in FY16
- Optimised car park usage during the year and continued improving the range of online offers to attract customers across the product range

↑ **11.6%** Average revenue per space in FY16

↑ **11.8%** Car parking revenue in FY16

**10,028** Total spaces at 30 June 2016





# Significant land holdings

2016

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Aeronautical  
Retail  
Property



- Auckland Airport owns approximately 1,500 hectares of freehold land (~300 hectares available for investment property development)
- Vacant land enables staged and affordable expansion of aeronautical infrastructure as required and ongoing rental income growth

# Extensive investment property portfolio

2016

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- Auckland Airport owns \$794m of investment property (excl. undeveloped land) with a \$63.0m rent roll at 30 June 2016
- 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
- Leases are medium to long term and properties are typically developed on a design/build/lease basis with committed tenants
- Ten new income generating developments were completed in FY16 including new facilities for Coca-Cola Amatil, Hellman Worldwide Logistics, DHL Express, CEVA Logistics and Fuji Xerox NZ
- Nine hectares of land development was also completed with capacity to accommodate 50,000 sqm of new building projects

↑ 12.3%

Investment property  
rent roll in FY16

5.9 years

Weighted average  
lease term<sup>1</sup>

97%

Occupancy in the portfolio<sup>1</sup>





# Hotel occupancy increasing

2016

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Aeronautical

Retail

Property



- Auckland Airport has a coherent suite of hotel products including plans additional hotels as demand for accommodation increases
- Novotel Hotel is a 263 room 4+ star hotel
  - Auckland Airport holds a 20% stake and collects ground rental
  - average occupancy rate increased to 89% in FY16, up from 87% in the prior year
- ibis hotel is a 198 room 3 star hotel
  - average occupancy was 89% in FY16
  - revenue per available room (RevPAR) increased 13.5% in FY16
- Design well underway to develop a 5-star 250 room hotel in the terminal precinct
- The hotels have outperformed ambitious expectations and are integral to our consumer growth strategy



## 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 busiest airport in New Zealand
- In FY16, Queenstown airport handled 1,176,330 domestic and 474,779 international passengers
- It is the fastest growing airport in New Zealand with average annual international passenger growth of 24.9% over the last five years

## 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
- Cairns Airport is one of Australia’s leading regional airports, providing air links to a range of domestic and international locations
- In June 2016, Cairns Airport welcomed its 5 millionth passenger in a 12-month period for the first time, and its total international passenger numbers increased by 24.4% in the 2016 financial year



# Strategy for our future



# Our strategy

2016

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**Faster  
Higher  
Stronger**



Grow Travel Markets

Adopt an ambitious and innovative approach to help New Zealand to sustainably unlock the growth opportunities in travel, trade and tourism



Strengthen Our Consumer Business

Strengthen and extend our retail, transport and accommodation businesses to ensure we can respond to evolving customer needs



Be Fast, Efficient & Effective

Continue to improve our performance by increasing the productivity of our assets, processes and operations



Invest for Future Growth

Build on our strong foundations for long-term sustainable growth



# Delivering on our ambitions

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

## Aspirations:

## How we tracked in FY16:



**400,000**

Double Chinese arrivals to 400,000 by FY17, up from 213,781 in FY13

**↑ 359,270**

An increase of 66,835 in FY16



**\$60m**

Build property rent roll to \$60 million by FY17, up from \$44 million in FY13

**↑ \$63m**

An increase of \$7 million in FY16



**10m**

Achieve 10 million international passengers by FY18, up from 7.3 million in FY13

**↑ 8.8m**

An increase of 0.7 million in FY16



**20m**

Reach 20 million total passengers by FY20, up from 14.5 million in FY13

**↑ 17.3m**

An increase of 1.5 million in FY16



# Collaborative strategic framework

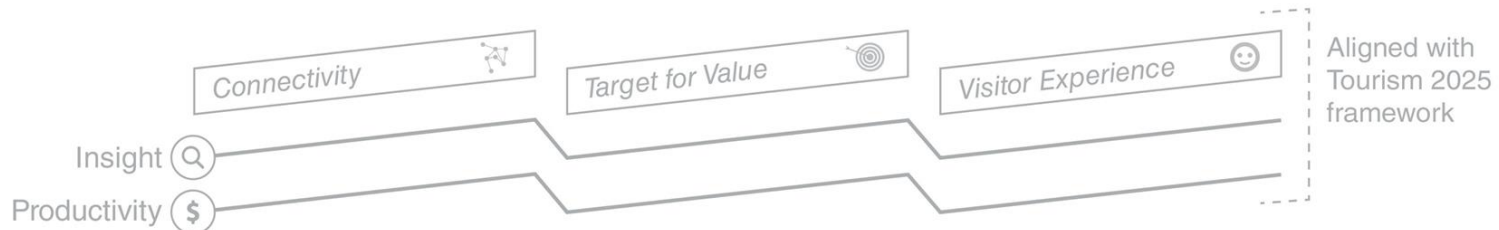
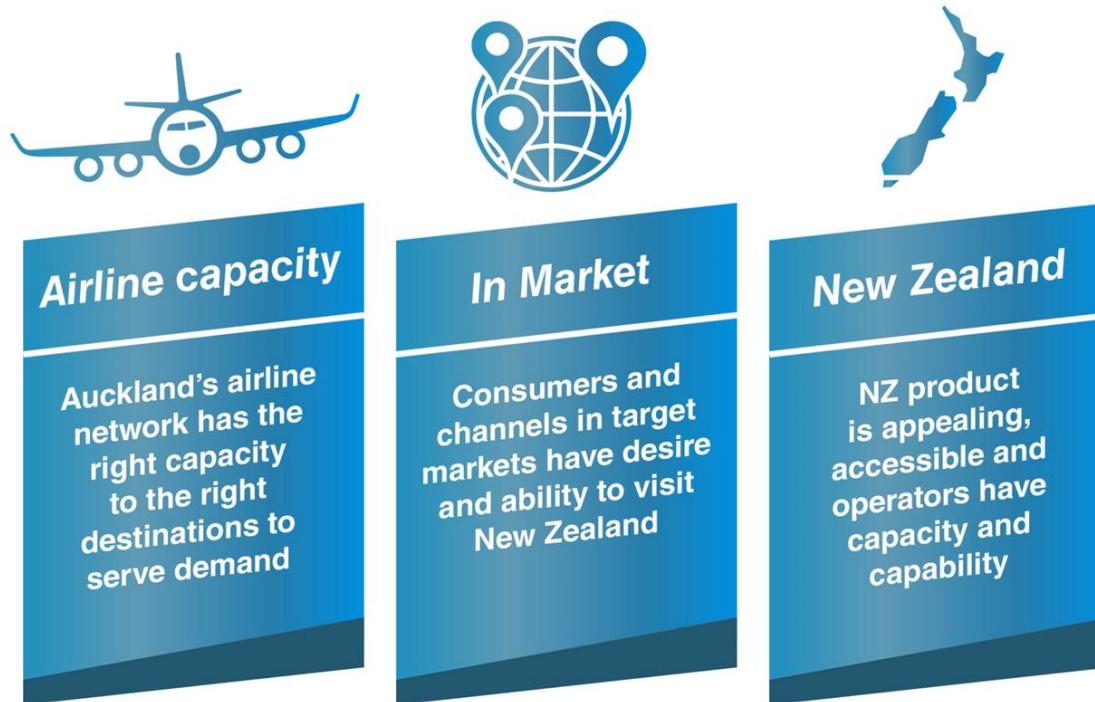
## Grow travel markets by working with partners across the whole value chain

Grow travel markets

Strengthen our consumer business

Be fast, efficient and effective

Invest for future growth







# Ongoing network analysis

2016

Investor Roadshow

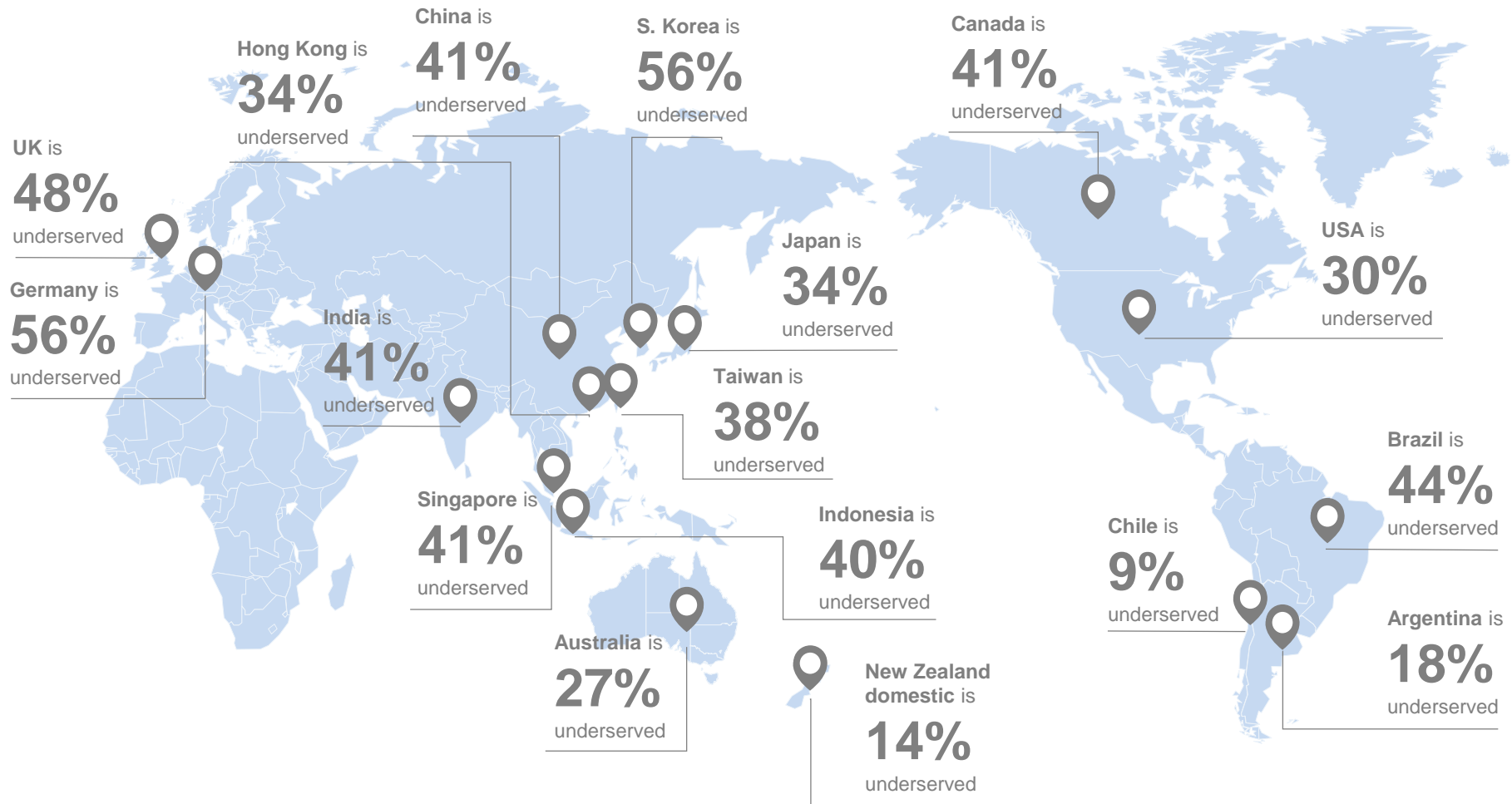
Grow travel markets

Strengthen our consumer business

Be fast, efficient and effective

Invest for future growth

## Network analysis exposes underserved demand





# Successfully growing travel markets

2016

Investor Roadshow

Grow travel markets

Strengthen our consumer business

Be fast, efficient and effective

Invest for future growth

## Strong growth in connectivity during FY16

- Strong international growth driven by enhanced connectivity to established, emerging and new markets:
  - 8 new international airlines launched or announced during FY16
  - 15 new routes established and flight frequencies increased on existing routes
- Domestic capacity growth:
  - 4 new Auckland services as a result of Jetstar's new regional services; and
  - increased Air New Zealand capacity driven by fleet growth, upgauging and greater frequencies





Grow travel markets

Strengthen our consumer business

Be fast, efficient and effective

Invest for future growth

## Retail step change driven by new larger space

- Continued 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)
- Significant increase in retail space underway
- Duty free is moving to the new, larger purpose built space in two stages over the next two years
  - significant step up in retail revenue anticipated following project completion



## Car parking increased capacity driven by demand

- Car parking growth continues to be driven by a broad programme of improved customer choice, extra capacity and promotions
- Will continue to add new capacity across the product range as demand supports. Building underway for a further 1,500 spaces, largely Park&Ride
- New real time guidance systems helping to lift space utilisation during peak periods
- Continue to use online channels to stimulate demand through targeted promotions





# Operational innovation

2016

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Grow travel markets

Strengthen our consumer business

Be fast, efficient and effective

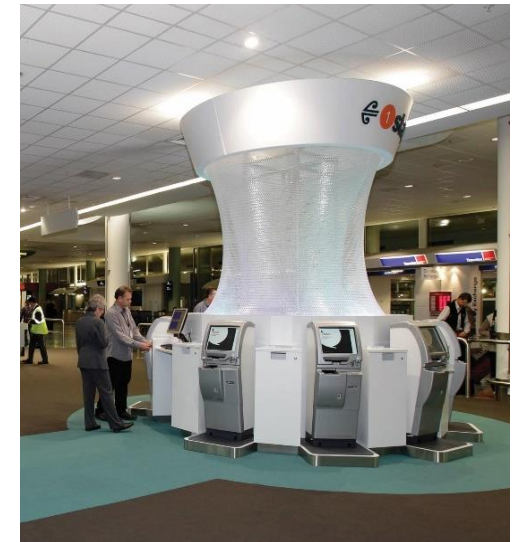
Invest for future growth

- Strategy focused on driving high quality customer experience and operational efficiency by increasing the productivity of our assets, processes and operations
- Applying a 'total airport management' concept to drive operational efficiency through collaborative decision making based on technology, data and LEAN principles
- Embedded collaborative operations forums at different levels of organisation from front line to CEO delivering improved outcomes for customers and stakeholders
- Despite the lift in FY16 international passenger volumes average departure processing times decreased by 4.1%
- Committed to further improvements and benchmarking our achievements against leading global airports

↓ 4.1% International departure processing time

↓ 2.1% Reduction in baggage hall processing time

↓ 2.2% Aircraft taxi time  
Reducing CO<sub>2</sub> emissions by in 327,160 Kg



# Investing for future growth



2016

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Grow travel markets

Strengthen our consumer business

Be fast, efficient and effective

Invest for future growth

- Bold 30-year vision developed with international experts ([www.airportofthefuture.co.nz](http://www.airportofthefuture.co.nz))
- Vision 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)
- A significant period of investment is underway as we build to accommodate the ongoing growth in passengers, aircraft and businesses operating at the airport





# Financial information



# FY16 results at a glance

2016

Investor Roadshow

Revenue

↑ 12.9%      \$573.9m

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Operating EBITDAFI

↑ 13.2 %      \$430.3m

---

Underlying profit

↑ 20.6%      \$212.7m

---

Total dividend per share

↑ 19.9%      17.5 cents

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Performance bonus to staff not in an incentive scheme <sup>1</sup>

---

\$1,500

Passenger movements

↑ 9.1%      17.3m

International 8.8m up 8.1% | International transits 0.6m up 17.2%  
Domestic 7.9m up 9.8%

---

Retail income

↑ 19.3%      \$157.5m

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Investment property rent roll

↑ 12.3%      \$63.0m

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Five-year average total shareholder return

26.1%

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# Strong five year financial performance

2016

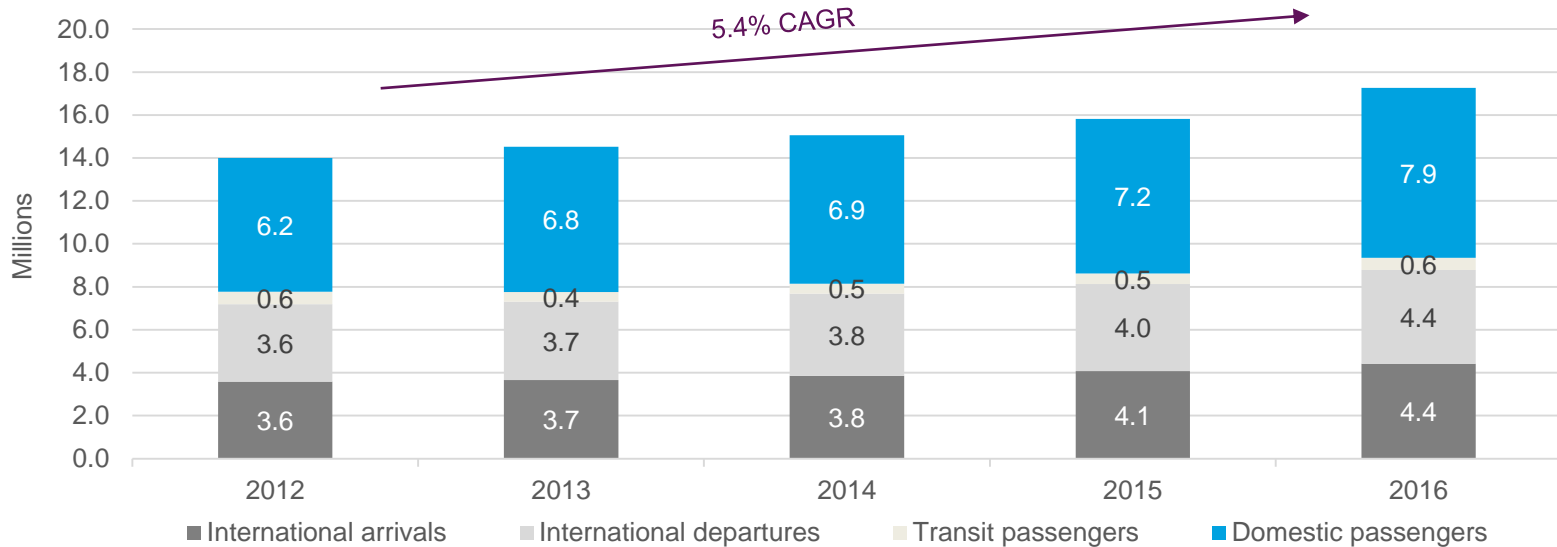
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For the year ended 30 June NZ\$m	2016	2015	2014	2013	2012
Revenue	573.9	508.5	475.8	448.5	426.8
Expenses	143.6	128.5	120.6	117.6	107.5
<b>Earnings before interest, taxation, depreciation, fair value adjustments and investments in associates (EBITDAFI)</b>	<b>430.3</b>	<b>380.0</b>	<b>355.2</b>	<b>330.9</b>	<b>319.3</b>
Share of profit from associates	(8.4)	12.5	11.6	9.9	9.2
Derivative fair value (decrease)/increase	(2.6)	(0.7)	0.6	1.5	(2.1)
Property, plant and equipment revaluation	(16.5)	(11.9)	4.1	-	-
Investment property revaluation	87.1	57.2	42.0	23.1	1.3
Depreciation expense	73.0	64.8	63.5	62.1	64.5
Interest expense	79.1	86.0	68.2	66.7	68.9
Taxation expense	75.4	62.8	65.9	58.6	52.0
<b>Reported net profit after tax</b>	<b>262.4</b>	<b>223.5</b>	<b>215.9</b>	<b>178.0</b>	<b>142.3</b>
<b>Underlying profit after tax<sup>1</sup></b>	<b>212.7</b>	<b>176.4</b>	<b>169.9</b>	<b>153.8</b>	<b>139.0</b>
<b>Capex</b>	<b>243.2</b>	<b>147.6</b>	<b>121.5</b>	<b>93.5</b>	<b>83.1</b>

<sup>1</sup> A reconciliation showing the difference between reported net profit after tax and underlying profit after tax is included in the financial report for the year ended 30 June 2016

# Significant growth in passengers

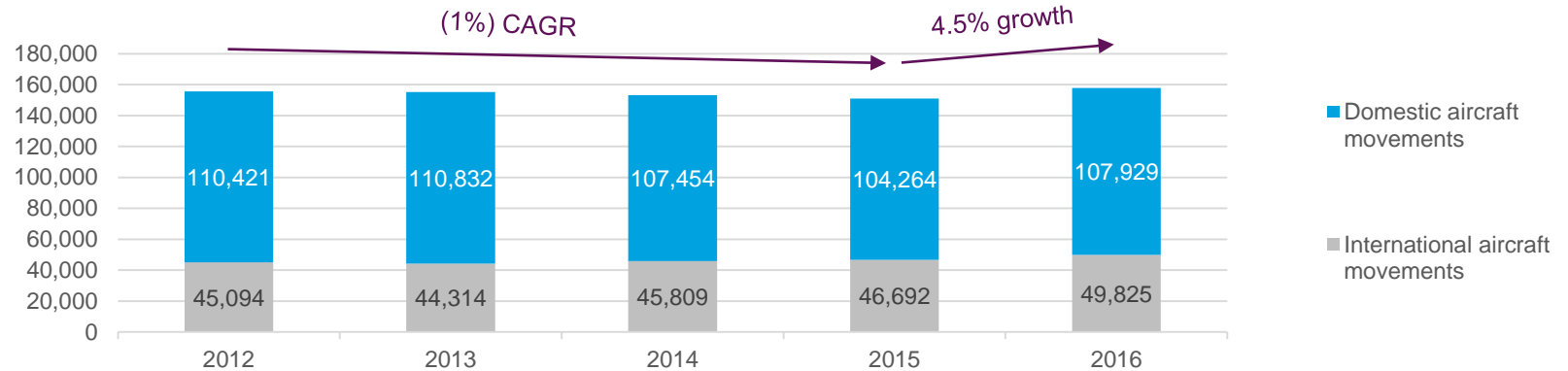
## Passenger movements



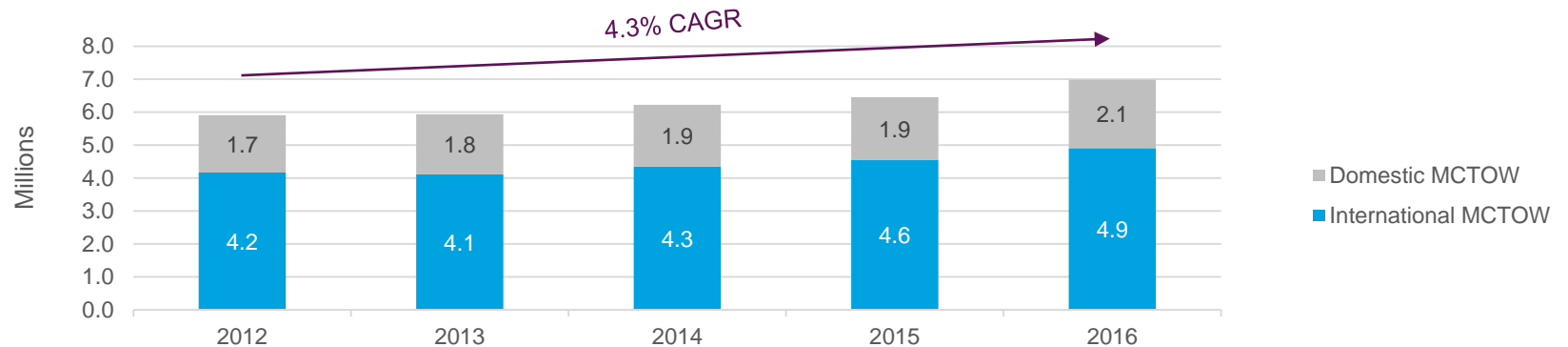
- FY16 was another outstanding year with strong international and domestic passenger growth
- The growth in passengers occurred across a range of geographic markets: China up 23%, North America up 9%, Germany 11% and the UK 6%
- Passenger growth of 9.1% was ahead of aircraft movements up 4.5% in FY16
- Momentum has carried into FY17

# Runway movements growing

## Aircraft movements



## MCTOW



- Increased connectivity to new and existing destinations reversed a 7 year decline in total aircraft movements
- Up-gauging of domestic and international fleets continued in FY16, however existing carriers appear to be closer to optimal configuration, suggesting aircraft movement growth may continue



# Strong revenue growth across the business

2016

Investor Roadshow

## Revenue by segment

For the year ended 30 June \$m	2016	2015	2014	2013	2012	CAGR
Airfield income	103.4	93.3	87.6	81.6	77.3	7.5%
Passenger services charge	154.9	140.9	131.5	120.2	83.1	16.8%
Terminal services charge	-	-	-	-	28.6	n/a
Retail income	157.5	132.0	127.1	124.3	120.8	6.9%
Car park income	52.1	46.6	42.8	40.4	36.6	9.2%
Rental income	74.7	64.6	59.3	55.4	55.0	8.0%
Other income	31.3	31.1	27.5	26.6	25.4	5.4%
<b>Total revenue</b>	<b>573.9</b>	<b>508.5</b>	<b>475.8</b>	<b>448.5</b>	<b>426.8</b>	<b>7.7%</b>

- Aircraft and passenger growth drove the majority of the increase in FY16 airfield income and passenger service charge, plus 1.5% - 2.5% price increases
- Strong passenger growth, new commercial agreements in duty free and outstanding specialty performance contributed to the excellent growth in retail income
- Proactive management through the online channel resulted in higher parking transaction values, combined with higher passenger volumes
- Strong rent reviews and the completion of 34,000 sqm of office and warehouse space in year drove rental increase



# Delivering operational leverage

2016

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For the year ended 30 June \$m	2016	2015	2014	2013	2012	CAGR
Staff	46.8	46.3	42.5	40.0	34.3	8.1%
Asset management, maintenance and airport operations	49.1	44.2	40.3	39.6	36.7	7.5%
Rates and insurance	11.5	10.7	10.1	9.7	9.1	6.0%
Marketing and promotions	16.3	13.2	13.7	14.1	12.2	7.5%
Other expenses	19.9	14.1	14.0	14.2	15.2	7.0%
<b>Total operating expenses</b>	<b>143.6</b>	<b>128.5</b>	<b>120.6</b>	<b>117.6</b>	<b>107.5</b>	<b>7.5%</b>
Depreciation	73.0	64.8	63.5	62.1	64.5	3.1%
Interest expense	79.1	86.0	68.2	66.7	68.9	3.5%
Opex growth %	11.8%	6.6%	2.6%	9.4%	n/a	n/a
Opex / Revenue	25.0%	25.3%	25.3%	26.2%	25.2%	n/a
Staff costs / Revenue	8.2%	9.1%	8.9%	8.9%	8.0%	n/a

- Managed operating expense growth, delivered operational leverage in FY16
- Staff costs marginally increased reflecting capability growth offsetting LTI reductions
- Other expense growth largely reflects variable costs to drive revenue (e.g. ibis hotel, Emperor Lounge, Valet and Park&Ride)

# Associates' performance

2016

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For the year ended 30 June NZ\$m	2016	2015	2014	2013	2012	CAGR
<b>Queenstown Airport (24.99% ownership)</b>						
Total Revenue	31.5	24.8	21.9	19.6	18.2	14.7%
EBITDAFI	21.5	16.6	15.2	12.9	11.5	16.9%
Domestic Passengers	1,176,330	1,000,713	940,477	957,204	851,795	8.4%
International Passengers	474,779	397,927	308,402	241,714	195,249	24.9%
Underlying Earnings (Auckland Airport share)	1.9	2.1	1.7	1.3	1.3	10.0%
<b>North Queensland Airports (24.55% ownership)</b>						
Total Revenue (AU\$)	134.6	127.5	124.0	119.2	111.7	4.8%
EBITDAFI (AU\$)	83.8	81.6	79.3	75.1	70.1	4.6%
Domestic Passengers (Cairns + Mackay)	5,088,692	5,030,804	5,024,321	4,710,072	4,509,394	3.1%
International Passengers (Including transits) (Cairns)	767,423	616,748	608,177	666,707	672,110	3.4%
Underlying Earnings (Auckland Airport share) (NZ\$)	7.9	7.3	5.8	5.7	4.0	18.5%
<b>Novotel Tainui Holdings (20.00% ownership)</b>						
Total Revenue	26.0	23.2	21.7	19.9	17.9	9.8%
EBITDAFI	9.7	8.3	7.7	6.8	6.2	11.8%
Average occupancy	89%	87%	86%	83%	82%	n/a
Underlying Earnings (Auckland Airport share)	1.7	1.3	1.2	1.0	0.8	19.3%

# Summary balance sheet

2016

Investor Roadshow

For the year ended 30 June \$m	2016	2015	2014	2013	2012
Cash	52.6	38.5	41.4	69.2	42.8
Trade and other receivables	42.3	36.6	29.0	26.8	23.1
Other current assets	8.0	12.3	3.2	3.6	3.4
<b>Current assets</b>	<b>102.9</b>	<b>87.4</b>	<b>73.6</b>	<b>99.6</b>	<b>69.3</b>
Property, plant and equipment	4,708.1	3,884.1	3,761.5	3,020.2	3,021.7
Investment properties	1,048.9	848.1	733.4	635.9	579.8
Investment in associates	142.8	163.6	158.4	165.7	180.0
Derivative financial instruments	138.8	118.3	6.9	17.1	24.7
<b>Total assets</b>	<b>6,141.5</b>	<b>5,101.5</b>	<b>4,733.8</b>	<b>3,938.5</b>	<b>3,875.5</b>
Borrowings	1,886.9	1,722.5	1,506.9	1,142.0	1,108.7
Other liabilities	373.9	336.1	308.2	297.1	294.0
<b>Total liabilities</b>	<b>2,260.8</b>	<b>2,058.6</b>	<b>1,815.1</b>	<b>1,439.1</b>	<b>1,402.7</b>
Equity	3,880.7	3,042.9	2,918.7	2,499.4	2,472.8
<b>Total liabilities and equity</b>	<b>6,141.5</b>	<b>5,101.5</b>	<b>4,733.8</b>	<b>3,938.5</b>	<b>3,875.5</b>

# Summary cash flow

2016

Investor Roadshow

For the year ended 30 June \$m	2016	2015	2014	2013	2012
Receipts from customers	569.5	500.6	471.6	441.9	428.5
Payments to suppliers and employees	(151.2)	(116.0)	(116.4)	(112.1)	(106.0)
Interest & tax paid	(147.8)	(162.4)	(143.6)	(122.0)	(125.8)
<b>Net cash flow from operating activities</b>	<b>270.5</b>	<b>222.2</b>	<b>211.7</b>	<b>207.8</b>	<b>196.7</b>
Purchase of PPE and Investment properties	(228.1)	(140.2)	(116.3)	(87.2)	(82.8)
Other	10.4	9.6	13.6	12.1	12.5
<b>Net cash applied to investing activities</b>	<b>(217.7)</b>	<b>(130.6)</b>	<b>(102.7)</b>	<b>(75.2)</b>	<b>(70.3)</b>
Dividends paid	(188.1)	(170.2)	(82.7)	(156.7)	(120.3)
Increase / (decrease) in borrowings	149.0	75.7	400.0	50.4	(9.5)
Increase in share capital / (share buy-back)	0.4	-	(454.1)	-	0.1
<b>Net cash flow applied to financing activities</b>	<b>(38.7)</b>	<b>(94.5)</b>	<b>(136.8)</b>	<b>(106.3)</b>	<b>(129.7)</b>
<b>Net increase/(decrease) in cash held</b>	<b>14.1</b>	<b>(2.9)</b>	<b>(27.8)</b>	<b>26.3</b>	<b>(3.3)</b>
Opening cash brought forward	38.5	41.4	69.2	42.8	46.1
<b>Ending cash carried forward</b>	<b>52.6</b>	<b>38.5</b>	<b>41.4</b>	<b>69.2</b>	<b>42.8</b>

# Credit metrics

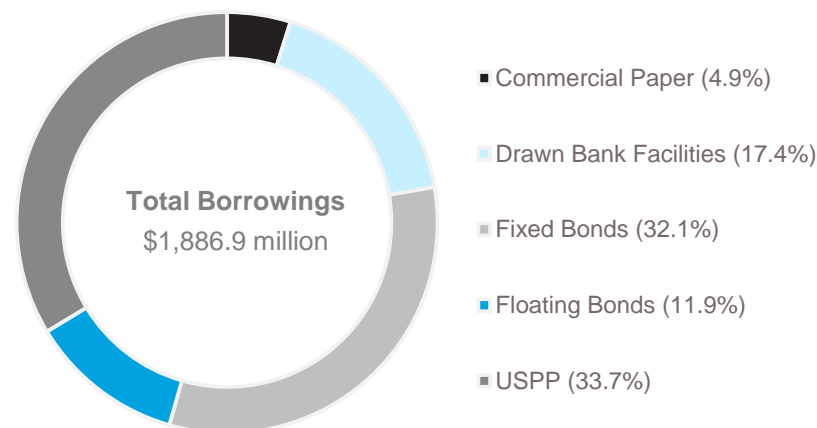
2016

Investor Roadshow

For the year ended 30 June	2016	2015	2014	2013	2012
Debt / debt + market value of equity	19.7%	22.5%	24.7%	22.8%	25.8%
Funds from operations / gross debt	16.2%	16.6%	20.8%	20.7%	19.8%
Funds from operations interest cover	4.6x	3.9x	4.5x	4.2x	3.9x
Weighted average interest cost (12 months to 30 June)	5.1%	5.8%	6.0%	6.2%	6.5%
Average debt maturity profile (years)	4.29	4.89	3.24	4.21	4.46
Percentage of fixed borrowings	48.9%	49.5%	58.6%	66.3%	66.3%

- Reflecting greater investment, total borrowings rose 9.5% in the year to 30 June 2016, but market value gearing reduced to 19.7%
- Average interest cost fell to 5.1% following successful refinancing at lower rates, rebalancing towards floating rate exposure and the decline in base rates during the year
- Credit rating is A-
- Balance sheet capacity for capital expenditure uplift

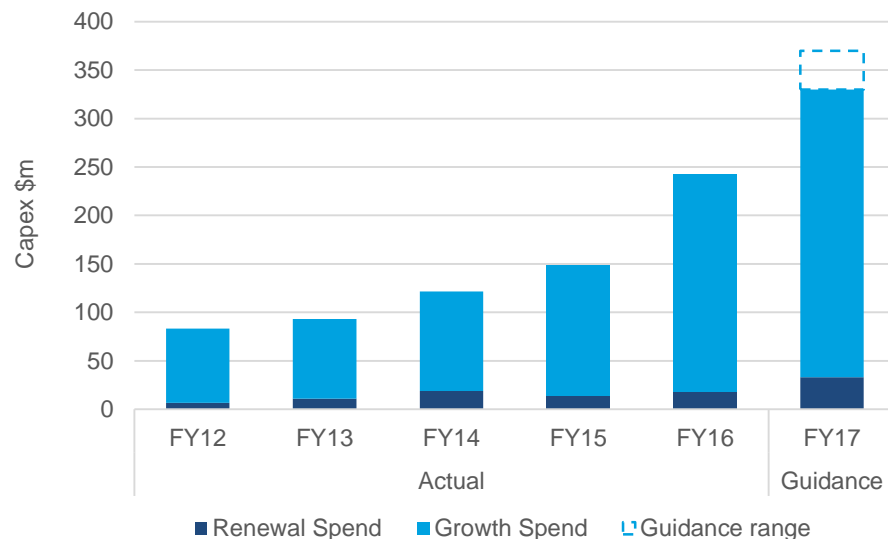
Drawn borrowings by category as at 30 June 2016



# Capital expenditure

2016

Investor Roadshow



For the year ended 30 June	2016 \$m	2015 \$m	Change
Renewal	18.4	13.7	34.3%
Growth	224.8	133.9	67.9%
<b>Total capital expenditure</b>	<b>243.2</b>	<b>147.6</b>	<b>64.8%</b>
Depreciation	73.0	64.8	12.7%

- The majority of capital expenditure is investing for future earnings growth
- Capital expenditure is forecast to increase in FY17 to between \$330 million and \$370 million on:
  - significant aeronautical projects including the International Terminal level 1 redevelopment, the extension to International Terminal Pier B, and additional remote and contact stands; and
  - investment property developments including Fonterra, Ministry for Primary Industries, two logistics developments and the new office development Quad 7

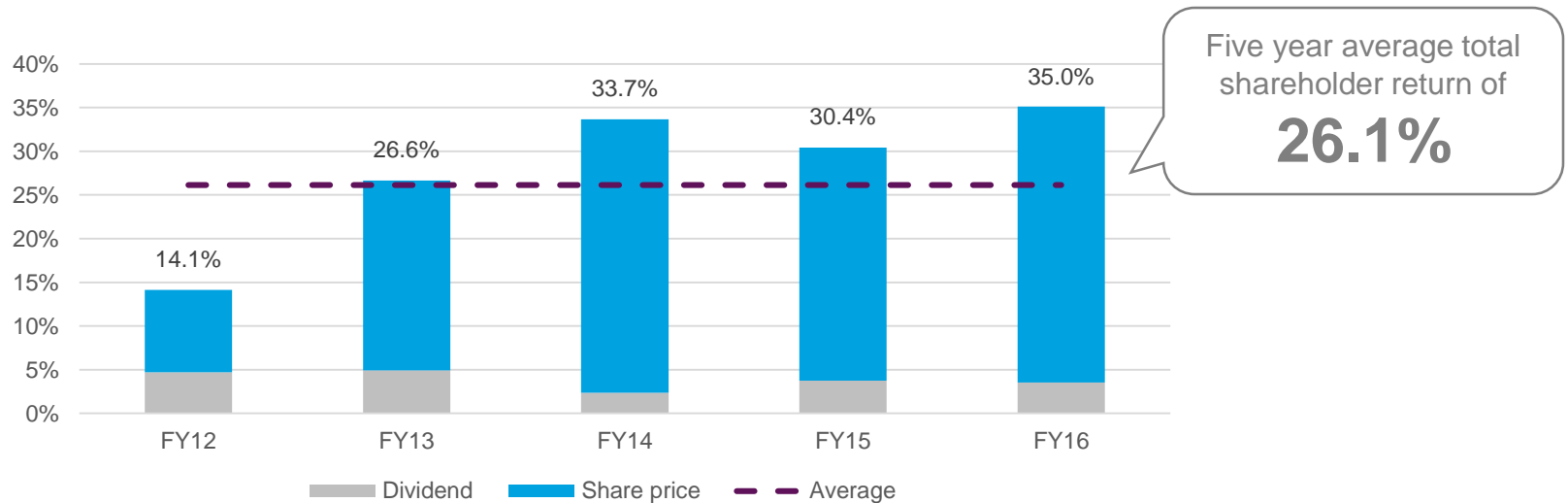


# Outstanding shareholder returns

2016

Investor Roadshow

## Annual shareholder returns



- Strong share price growth has rewarded shareholders with outstanding returns over the past five years
- Dividend policy of paying ~100% of underlying NPAT
  - full year dividend of 17.50 cps declared for FY16
  - the final dividend of 9.00 cps will be paid on 13 October 2016 to shareholders on the register at the close of business on 29 September 2016

## Guidance

- Ongoing strong growth and performance means that we are confident that the Company will again deliver strong financial results in the next 12 months
- We expect total capital expenditure of between \$330 million and \$370 million in FY17, including approximately \$232 million of aeronautical projects
- We expect underlying net profit after tax (excluding any fair value changes and other one-off items) in FY17 to be between \$230 million and \$240 million
- 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

## Supportive macro environment

- ✓ Travel industry benefiting from continued favourable drivers
- ✓ Strong aircraft deliveries forecast for the Asia Pacific region over the next 20 years is expected to drive connectivity
  - 13,458 new Airbus airplanes (41% of total deliveries)<sup>1</sup>
  - 15,130 new Boeing airplanes (38% of total deliveries)<sup>1</sup>
- ✓ New Zealand benefitting from proximity to Asia and growing Asia-Pacific markets
- ✓ Strong New Zealand tourism market
- ✓ Growing Auckland population

# Reference material and further details

## Reference material

Auckland Airport website: <https://corporate.aucklandairport.co.nz/>

Commerce Commission: <http://www.comcom.govt.nz/regulated-industries/airports/>

ADR overview: <https://corporate.aucklandairport.co.nz/investors/shares-and-bonds/adr-overview>

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# Important Notice and Glossary

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## Glossary

EBITDAFI	Earnings before interest, taxation, depreciation, fair value adjustments and investments in associates
IM	Commerce Commission Input Methodologies
NPAT	Net profit after tax
PAX	Passenger
PPE	Property, plant and equipment
RevPAR	Revenue per available room