

Annual Results

12 months ended 30 June 2007

Don Huse, CEO

Robert Sinclair, CFO



Haere mai - Welcome to Our Airport

Summary of 2007 results

- International pax (excl. transits / transfers) +2.6%
- Domestic pax +2.1%
- Revenue \$321.9m +5.3%
- EBITDA \$242.8m +1.1%
- Result impacted by \$9.9m provision for long-term incentive plans
- EBITDA \$252.7 m +5.2% (excl. for LTI provision)
- Surplus after tax \$92.0m -10.8%, \$101.9m (excl. LTI provision)
- Final dividend 4.45 cps \$54.4m (FY06 4.45 cps)
- Total dividend 8.20 cps \$100.1m (108.9% payout)



- New vision and strategy developed and adopted
- Passenger growth returning to trendline
- Aeronautical consultation completed, new prices announced
- Retail income continued positive trend
- Major retail concessions successfully re-tendered
- New car parking facilities and services introduced
- Property development accelerating, positive revaluation gain
- Upgrade and expansion of ITB and DTB progressed
- HR, community, environmental and sustainability initiatives
- Value enhancing and capital restructuring initiatives progressed



Ordinary dividends

	FY07	FY06
Interim – cents per share (cps)	3.75	3.75
Final cps ¹	4.45	4.45
Total cps	8.20	8.20
TOTAL AMOUNT	\$100.149m	\$100.108m
Earnings per share (cps) ²	7.53	8.44
Payout ratio ³	108.9%	97.0%
Shares on issue at 30 June	1,221,690,439	1,220,509,639

¹ Fully imputed, books close 12 October, paid 19 October

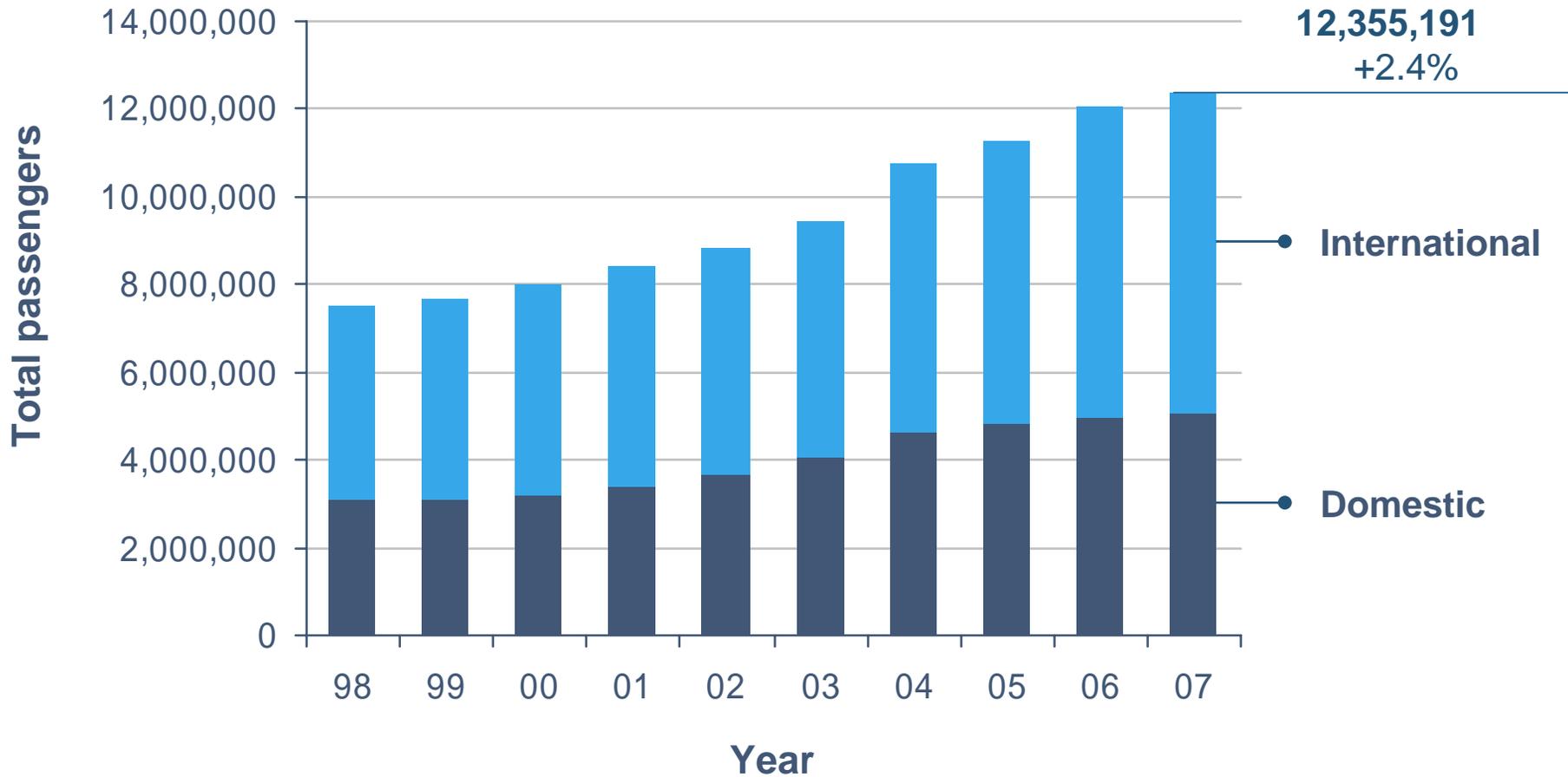
² Excluding the LTI provision, EPS in FY07 was 8.35cps

³ Excluding the LTI provision, the payout ratio in FY07 was 98%

AIAL passenger movements – FY07

	FY07	FY06	% change
International pax	6,373,427	6,213,647	+2.6
Transits and transfers	912,970	889,388	+2.7
Total international pax	7,286,397	7,103,035	+2.6
Domestic pax	5,068,794	4,963,142	+2.1
TOTAL PAX MOVEMENTS	12,355,191	12,066,177	+2.4

AIAL passenger movements – 10 years



Monthly passenger volumes

Monthly international passenger growth (excluding transits and transfers)



Arriving passengers at Auckland by country

Country of last permanent residence	FY07	% of total	FY06	% of total	Movement	% change
New Zealand	1,415,325	44.7	1,364,348	44.5	50,977	3.7
Australia	514,446	16.3	502,828	16.4	11,618	2.3
UK (incl. Ireland)	255,116	8.1	250,725	8.2	4,391	1.8
USA	181,700	5.7	180,174	5.9	1,526	0.8
China	109,285	3.5	89,536	2.9	19,749	22.1
Japan	84,023	2.7	97,932	3.2	-13,909	-14.2
South Korea	82,300	2.6	80,784	2.6	1,516	1.9
Germany	43,693	1.4	43,142	1.4	551	1.3
Canada	40,165	1.3	36,900	1.2	3,265	8.8
Taiwan	24,500	0.8	25,695	0.8	-1,195	-4.7
India	20,281	0.6	17,477	0.6	2,804	16.0
Singapore	17,645	0.5	23,113	0.8	-5,468	-23.7
Malaysia	17,895	0.5	20,870	0.7	-2,975	-14.3
Other	358,366	11.3	334,334	10.8	24,032	7.2
TOTAL	3,164,740	100.0	3,067,858	100.0	96,882	3.2

Source: Statistics NZ

Aircraft statistics – FY07

	FY07	FY06	% change
Aircraft			
International movements	38,406	38,759	-0.9
Domestic movements	117,469	122,140	-3.8
TOTAL AIRCRAFT MOVEMENTS	155,875	160,899	-3.1

Cargo

Cargo handled (tonnes)	224,515	232,655	-3.5
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MCTOW (maximum certificated take-off weight)

International (tonnes)	4,085,290	4,186,813	-2.4
Domestic (tonnes)	1,661,844	1,639,690	+1.4
TOTAL MCTOW (tonnes)	5,747,134	5,826,503	-1.4

Financial overview

	FY07 \$m	FY06 \$m	% change
Total revenue	321.9	305.8	+5.3
Operating expenses	79.1	65.6	+20.6
EBITDA ¹	242.8	240.2	+1.1
Depreciation	43.1	38.5	+11.9
Interest expense	62.7	54.9	+14.3
Surplus before taxation	136.9	146.7	-6.7
Taxation	45.0	43.5	+3.2
Surplus after taxation ²	92.0	103.2	-10.8
Earnings per share (cps)	7.53	8.44	-10.8

¹ Excluding the LTI provision, EBITDA in FY07 was \$252.7m, an increase of 5.2%

² Excluding the LTI provision, surplus after tax in FY07 was \$101.9m, a decrease of 1.2%

³ Excluding the LTI provision, EPS in FY07 was 8.35 cents per share

Revenue analysis

	FY07 \$m	%	FY06 \$m	% change
Aeronautical				
Airfield	66.3	20.6	67.4	-1.6
Development charge	64.4	20.0	60.4	+6.6
Terminal services charge	21.9	6.8	17.3	+26.7
Total aeronautical revenue	152.6	47.4	145.1	+5.2
Non-aeronautical				
Retail	93.7	29.1	86.7	+8.1
Rental	33.3	10.4	31.5	+5.6
Car parks	25.9	8.0	24.8	+4.1
Utilities and general	14.5	4.5	16.5	-12.0
Interest	1.1	0.3	0.5	+108.0
Associated companies	0.9	0.3	0.7	+31.4
Total non-aeronautical revenue	169.4	52.6	160.7	+5.4
TOTAL REVENUE	321.9	100.0	305.8	+5.3

Expense analysis

	FY07 \$m	%	FY06 \$m	% change
Staff ¹	36.0	19.5	25.9	+38.6
Repairs and maintenance ²	23.0	12.5	20.5	+12.1
Rates and insurance	6.3	3.4	5.8	+8.3
Other	13.9	7.5	13.4	+3.9
Total operating expenses	79.1	42.9	65.6	+20.7
Depreciation	43.1	23.3	38.5	+11.9
Interest	62.7	33.9	54.9	+14.3
TOTAL EXPENSES	185.0	100.0	159.0	+16.3

¹ Includes LTI provision of \$9.9m

² Includes one-off costs associated with Waste Resources Limited of \$0.9m

Statement of financial position

	June 07 \$m	June 06 \$m
Non-current assets	2,878	2,731
Current assets	29	27
TOTAL ASSETS	2,907	2,758
Non-current liabilities	596	602
Current liabilities	377	301
Equity	1,934	1,855
TOTAL EQUITY AND LIABILITIES	2,907	2,758
Equity ratio	66.5%	67.3%
Debt to enterprise value	18.6%	24.5%
Credit rating – long-term	A Negative	A Stable
– short-term	A-1	A-1

Key financial ratios

	FY07	FY06
Operating margin ¹	75.4%	78.5%
Effective tax rate	32.8%	29.7%
Debt / debt + equity	32.0%	31.7%
Capex / depreciation (times)	2.5	2.8
Interest cover (times) ²	3.0	3.5
Operating staff numbers	281	278

¹ Excluding the LTI provision, operating margin was 78.5%

² Excluding the LTI provision, interest cover (times) was 3.2

Operating efficiencies

	FY07	FY06
Passengers per operating staff	43,908	43,404
Operating revenue per operating staff	1,144,126	1,100,051
Operating revenue per pax	\$26.06	\$25.34
Retail revenue per international pax	\$12.87	\$12.21
Car park revenue per pax	\$2.26	\$2.22
Operating staff costs / operating revenue ¹	8.1%	8.5%

¹ Operating staff costs have excluded the LTI provision

“Representing our country”

- Core values: Outstanding, Uniquely Kiwi, Welcoming
- Strategy:
 - Grow New Zealand tourism and business
 - Provide a unique and compelling New Zealand airport experience
 - Deliver outstanding customer service
 - Operate in a safe, secure, sustainable and efficient manner
 - Enhance our people capability and performance
 - Create long-term value for our owners



- Aeronautical revenue + 5.2%
- Major expansion projects progressing well
- Comprehensive three year pricing consultation concluded
- New aeronautical charges:
 - Landing charges: 2.5% p.a for five years, from 1 September 2007
 - ADC: effective \$1 increase for three years, commencing 1 July 2008
- ADC renamed PSC, to be invoiced to airlines
- Process exemplary, significant concessions, outcome fair and reasonable
- Air NZ filed judicial review proceedings
- Proceedings to be strongly defended



- Retail income +8.1%
- Income per international pax \$12.87 (+5.4%)
- Strong focus on enhancing passenger choice, service and experience
- Major retail concessions awarded:
 - Foreign exchange (Travelex)
 - Car rentals (Hertz, Avis, Budget, Thrifty and Europcar)
 - Duty free (DFS)
- Single duty free operator will broaden product range and increase international competition

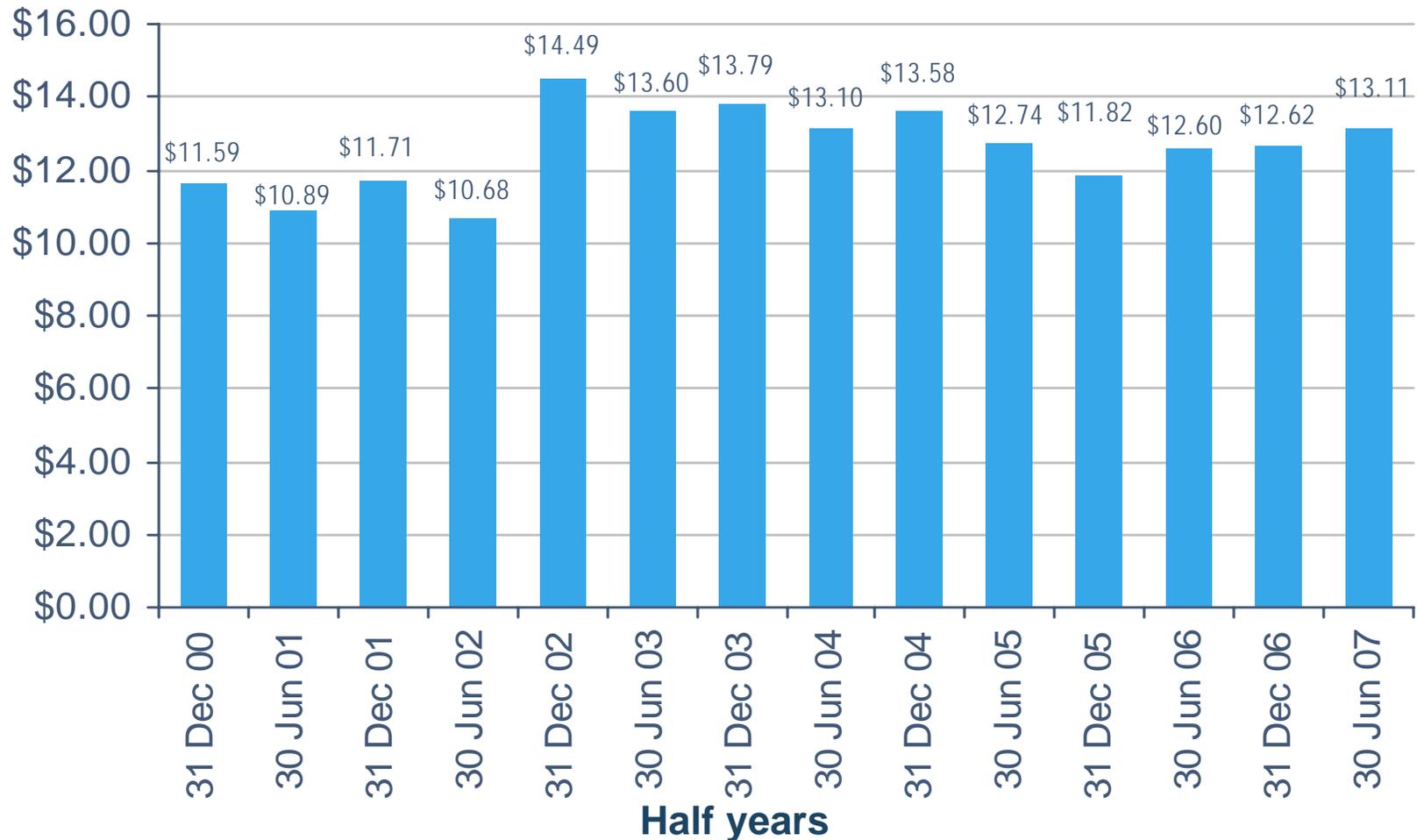


Retail update (continued)

- Combined uplift in income of \$7m in FY08 and \$10m in FY10
- New 150m² 'adidas' flagship store
- DTB retail precinct open, trading well
- ITB expanded arrivals duty free on track to open in April 2008
- Largest arrivals duty free store in Asia/Pacific
- ITB first floor redevelopment planning in progress
- Managed introduction of LAGs screening



Retail income per international passenger



Note: From October 2006, the company has been in receipt of more detailed and accurate transit and transfer data from Immigration New Zealand. The new data (which has been compiled from 1 July 2005) indicates that there was a material number of transit and transfer passengers not included in the previous data.

- Car park income +4.1%
- Total of 8,449 spaces
- Solid growth from domestic
- Dedicated business parking trading well
- International growth slower
- Management of car parks outsourced to Wilsons Parking
- Forecourt services outsourced to ADT
- Launch of new facilities, services and tariffs
- Strong focus on customer choice and service standards



- Rental income +5.6%
- \$18m invested during the year
- Developments completed include:
 - NZ Van Lines (\$7.8m)
 - Fliway Logistics (\$5.0m)
 - Expeditors (\$6.0m)
 - Fedex extension (\$1.8m)
 - Lollipops childcare (\$1.2m)
 - Air NZ cargo and freight (\$3.0m)
- New developments include:
 - Air National hangar (\$2.7m)
 - Barber Logistics extension (\$2.4m)
- IPP valued at \$329.7m, up \$136.2m
- Revaluation of existing IPP \$30.6m



	\$m	Key projects
Airfield	10.2	Taxiway reconstruction and northern runway
International terminal	44.1	Expanded arrivals (\$28.4m) and Pier B (\$6.1m)
Domestic terminal	20.6	New retail precinct (\$8.0m) and renovation of Air NZ terminal (\$12.4m)
Car parking	0.5	Domestic multi-level facility
Infrastructure and other	12.0	Northern airport development
Property development	18.0	Fliway Logistics, Air NZ, Expeditors, Lollipops and NZ VanLines
TOTAL	105.4	

Capex estimates FY08 to FY09

	FY08 \$m	FY09 \$m
Airfield	14	22
International terminal:		
Expanded arrivals	46	-
Pier B	26	8
Stage 3B	12	23
Other	16	11
Domestic terminal renovation	7	1
Car parking	1	-
Infrastructure and other	14	13
Property development	25	35
TOTAL CAPEX	161	113

- Capex of \$90 – 100m (excluding property) in FY10, assuming ITB Stage 3B (total of \$54m in 2010) proceeds with completion in June 2011

- New people capability framework “Our Spirit” launched
- Upgrade of Operations Centre and Emergency Response
- Introduction of LAGs screening
- Installation of low visibility landing equipment progressed
- Expansion of IT & T systems, wireless infrastructure and MIS
- Surface access initiatives progressed
- Airport marae opened
- Sustainability initiatives progressed, reporting enhanced
- Updated Economic Impact report



- Passenger growth returning to positive trend
- Outlook for airlines positive
- Major developments on time, on budget
- Aeronautical pricing reset
- Major retail concessions successfully tendered
- Car park growth resuming and repositioned
- Property development opportunities growing
- Revenue and EBITDA growth to continue



Auckland International Airport Limited

