





Simon Robertson Acting Chief Executive



This annual results presentation dated 30 August 2012 provides additional comment on the media and financial materials released before the market opened on the same date. As such, it should be read in conjunction with, and subject to, the explanations and views provided in that release.



Auckland Airport: Wider Ambition

We have a strong leadership team – ambitious for our growth and the growth of businesses that touch New Zealand’s travel, trade & tourism industries

Simon Robertson – Acting Chief Executive

Peter Alexander – GM Property

Adrian Littlewood – GM Retail & Commercial

Judy Nicholl – GM Aeronautical Operations

Charles Spillane – GM Corporate Affairs

Adam Tyrie – GM Master-planning & Terminal Development

Glenn Wedlock – GM Aeronautical Commercial



High Performance

Outstanding operational and financial performance with revenue up 7.3% and underlying profit up 15.0%.

Performance and healthy cash flow delivers reward for shareholders with full year dividend up 20.7% to 10.50 cps.

Confirmation that strategic direction is delivering results through excellent execution against strategy.

We continue to lift our long-term ambition for what is possible for the airport, tourism, trade volume and value to drive stronger growth.

Ambitious long term growth strategy aimed at providing resilience to global economic uncertainty and to take advantage of reshaping travel markets.



High Performance: Financial Results Summary

	30 June 2012 (\$m)	30 June 2011 (\$m)	% Change
Income	426.813	397.723	7.3
EBITDAFI*	319.289	298.229	7.1
Reported Profit	142.284	100.761	41.2
Underlying Profit	139.025	120.870	15.0

* EBITDAFI means Earnings before interest, taxation, depreciation, fair value adjustments and investments in associates

Profit momentum continues in FY12 with 15.0% growth in underlying profit.

Total aeronautical revenue (Landing charges, PSC and TSC) grew 5.2% in the year, underpinned by 5.1% growth in international passengers and 3.7% growth in MCTOW.

Non-aeronautical revenue saw outstanding growth in the year including property (10.1%), car parking (9.5%) and retail (8.7%).

EBITDAFI grew \$21.1 million reflecting excellent revenue growth.

The contribution of profit from associates lifted 94.3% in FY12 to \$9.240 million. Underlying profit from associates (excluding fair valuation changes) increased to \$6.165 million in FY12 from \$0.416 million in FY11.



High Performance: Operations

85.3% arriving passengers processed under 25 minutes

96.4% of departing passengers processed under 12 minutes

Successful RWC performance

Best Airport in Australia Pacific 4th year in a row in Skytrax

Constructive pricing engagement and a fair outcome

Range of product and service choices greatly expanded

Operational innovations introduced and efficiencies gained

Outstanding Financial Performance

	30 June 2012 (\$m)	30 June 2011 (\$m)	% Change
Revenue	426.813	397.723	7.3
Expenses	107.524	99.494	8.1
EBITDAFI	319.289	298.229	7.1
Share of profit of associates	9.240	4.755	94.3
Gain on sale of associates	-	1.240	(100.0)
PPE revaluation movements	-	(63.465)	100.0
Investment property fair value increases	1.350	21.640	(93.8)
Derivative fair value change	(2.148)	3.503	(161.3)
Depreciation	64.483	56.843	13.4
Interest	68.958	70.417	(2.1)
Reported net profit after tax	142.284	100.761	41.2
Underlying Profit	139.025	120.870	15.0



Underlying Profits: A Reconciliation

	30 June 2012 (\$m)			30 June 2011 (\$m)		
	Reported Earnings (\$m)	Adjustments (\$m)	Underlying Earnings (\$m)	Reported Earnings (\$m)	Adjustments (\$m)	Underlying Earnings (\$m)
EBITDAFI per Income Statement	319.289	-	319.289	298.229	-	298.229
Share of profit of associates	9.240	(3.075)	6.165	4.755	(4.339)	0.416
Gain on sale of an associate	-	-	-	1.240	(1.240)	-
Derivative fair value increases	(2.148)	2.148	-	3.503	(3.503)	-
Investment property fair value increases	1.350	(1.350)	-	21.640	(21.640)	-
Property, plant and equipment revaluation	-	-	-	(63.465)	63.465	-
Depreciation	(64.483)	-	(64.483)	(56.843)	-	(56.843)
Interest expense and other finance costs	(68.958)	-	(68.958)	(70.417)	-	(70.417)
Other taxation expense	(52.006)	(0.982)	(52.988)	(37.881)	(12.634)	(50.515)
Profit after tax	142.284	(3.259)	139.025	100.761	20.109	120.870



Passenger volume growth across all airports

	30 June 2012	30 June 2011	% Change
Auckland Airport			
International passengers (including transits)	7,769,207	7,392,045	5.1
Domestic passengers	6,236,915	6,040,265	3.3
Total passengers	14,006,122	13,432,310	4.3
Queenstown Airport			
International passengers	195,249	161,089	21.2
Domestic passengers	851,795	763,159	11.6
Total passengers	1,047,044	924,248	13.3
NQA - Cairns and Mackay Airports			
International passengers – Cairns	775,999	749,488	3.5
Domestic passengers – Cairns	3,284,783	3,184,220	3.2
Domestic passengers – Mackay	1,120,419	1,040,354	7.7
Total passengers	5,181,201	4,974,062	4.2



Aircraft numbers and MCTOW growth

	30 June 2012	30 June 2011	% Change
Auckland Airport			
Aircraft Movements			
International aircraft movements	45,094	43,782	3.0
Domestic aircraft movements	110,421	110,508	(0.1)
Total aircraft movements	155,515	154,290	0.8
MCTOW (tonnes)			
International	4,167,792	4,007,728	4.0
Domestic	1,733,819	1,682,824	3.0
Total	5,901,611	5,690,552	3.7

Revenue growth across the business

	30 June 2012 (\$m)	30 June 2011 (\$m)	% Change
Airfield income	77.299	72.529	6.6
Passenger Services Charge	83.081	78.760	5.5
Terminal services charge	28.604	28.342	0.9
Retail income	120.863	111.150	8.7
Rental income	54.974	49.927	10.1
Car park income	36.620	33.437	9.5
Interest income	1.570	1.460	7.5
Other income	23.802	22.118	7.6
Total revenue	426.813	397.723	7.3

Non aeronautical revenue saw outstanding growth in the 2012 financial year, including Rental income (10.1%), Car park income (9.5%) and Retail income (8.7%). Retail continued to see improved passenger spend rates in the international terminal after the completion of the development and increased passenger spend rates during the Rugby World Cup, while increased car park capacity and another successful year of the online car parking product contributed to car park growth.

Rental income is showing a return on investments made in prior year including new rental income from NZ Food and Innovation, DSV Air and Sea, Travel Careers and Training and the Novotel ground lease. New leases and positive rent reviews on existing property also contributed to growth in property rental income.



Expenses driven by rates, insurance and RWC

	30 June 2012 (\$m)	30 June 2011 (\$m)	% Change
Staff	34.326	32.607	5.3
Asset management, maintenance and airport operations	36.717	32.854	11.8
Rates and insurance	9.082	7.829	16.0
Marketing and Promotions	12.207	11.751	3.9
Other	15.192	14.453	5.1
Total operating expenses	107.524	99.494	8.1
Depreciation	64.483	56.843	13.4
Interest	68.958	70.417	(2.1)

Total operating expenses increased 8.1% over 2011, however while we saw a 15.3% increase in operating expenses in the six months to December 2011, the six months to June 2012 only saw an increase of 1.5% over the six months to June 2011, and a decrease of 2.7% over the six months to December 2011.

Asset management, maintenance and airport operations saw an increase in 2012 due to additional repairs, maintenance and cleaning activity around the airport in preparation for and during the Rugby World Cup as well as further outsourcing.

Marketing and promotion expenses increased 58% in the six months to December 2011 compared with 2010, but decreased in the 6 months to June 2012 due to the completion of marketing campaigns resulting in a modest increase of 3.9% for the 2012 financial year.

Rates and insurance increased \$1.253 million (16.0%) over 2011, due to increase in insurance premiums from prior year in light of the recent natural disasters in NZ and around the world. Council rates also increased 11.0% from 2011.



NQA business performing well

	30 June 2012	30 June 2011	% Change
Domestic Passenger Volume - Cairns and Mackay Airports	4,405,202	4,224,574	4.3
International Passenger Volume (including transits) - Cairns Airport	775,999	749,488	3.5
Total Passengers	5,181,201	4,974,062	4.2
Operating EBITDAFI	AU\$70.087 million	AU\$59.485 million	17.8
Dividends received and receivable	AU\$10.311 million	AU\$6.751 million	52.7

Passenger numbers increased at both Cairns and Mackay, with international passengers (including transits) up 3.5% over 2011 despite continued challenges in the Cairns to Japan market, and very strong domestic passenger growth of 4.3% despite downward trend in domestic air travel in Australia.

Auckland Airport received a total of AU\$10.311 million in dividends from its investment in NQA in the 2012 financial year, compared to AU\$6.751 million in dividends received in the 2011 financial year.

Auckland Airport sought an independent valuation report on its investment in NQA. This report gives the stake a valuation range of AU\$176 to AU\$192 million, compared to the carrying value of AU\$112 million as at 30 June 2012.



Queenstown exceptional growth continues

	30 June 2012	30 June 2011	% Change
Domestic Passenger Volume	851,795	763,159	11.6
International Passenger Volume	195,249	161,089	21.2
Total Passengers	1,047,044	924,248	13.3
Operating EBITDAFI (\$'000)	11,529	9,881	16.7
Dividends received and receivable (\$'000)	1,072	-	-

Queenstown Airport had another stellar performance in 2012 with international passenger growth of 21.2% and domestic passenger growth of 11.6%.

Auckland Airport received a dividend for the first time from its investment in Queenstown Airport of \$1.072 million in the 2012 financial year.

July 2012 month saw Queenstown exceed Wellington as the third largest port of international visitor arrivals, not far behind Christchurch who were second.



Strong balance sheet in uncertain times

Debt ratios	30 June 2012	30 June 2011
Average interest rate for the year	6.5%	6.6%
Underlying EBITDAFI Interest cover ratio	4.36	4.16
Average debt maturity	4.46	4.17
Debt/Debt + equity	30.9%	30.5%
Capital expenditure	(\$m)	(\$m)
Aeronautical	25.5	14.6
Property	49.3	46.2
Retail and car parking	5.2	11.0
Infrastructure and other	3.1	3.0
Total	83.1	74.8

Credit metrics continue to improve and provide a strong platform to invest in Auckland Airport's future.

S&P rating remains at A minus and the short-term rating is 'A2'.

Capital expenditure was within market guidance provided at the 2012 interim results of between \$80 and \$90 million.



Investors' rewards from strong performance are clear

	Share Price Opening (NZ\$)	Share Price Closing (NZ\$)	Dividend (cps)	Total return (cps)	Total share holder return %
1 July 2009 to 30 June 2010	1.61	1.87	8.20	34.20	21.2%
1 July 2010 to 30 June 2011	1.87	2.23	8.70	44.70	23.9%
1 July 2011 to 30 June 2012	2.23	2.44	10.50	31.50	14.1%

Dividends for the year will total 10.50 cents per share, up 1.8 cents per share, or 20.7%, from the 2011 financial year, with the final dividend of 6.10 cps.

After careful consideration of the capital structure of the business, and as a signal of our confidence in our long term prospects, cash generation and ability to fund our growth aspirations, the Board of Auckland Airport is changing the dividend policy from 90% to 100% of net profit after tax (excluding unrealised gains and losses arising from a revaluation of property, or treasury instruments and other one off items).

The Auckland Airport share price has increased further since the year end to NZ\$2.61 as at 29 August 2012.



Ambition 2020:

- aiming high to continuously lift performance
- take advantage of reshaping travel markets

Flight-path for growth launched in 2009.

Strategy evolved as market conditions developed.

Time is right to move from launching a growth strategy to setting a path for long-term growth momentum.

Ambition 2020 – long horizon targets to grow international visitor volumes and value, and in turn grow our business.

Aiming for more quality, efficiency, and innovation across the business.





Market trends and industry leadership

Current conditions are muted with international passenger volumes down 0.2% from 1 July to 26 August 2012.

China set to become 2nd largest tourism market for New Zealand and volumes up 31.9% in FY12.

Asia, Americas and Australia are our key focus as Europe and UK markets continue to decline.

Need air-services, sales channels and relevant quality product to capture more value.

Further capacity in October 2012 (Emirates A380 to Melbourne, China Airlines to Taipei via Sydney), in March 2013 (Hawaiian to North America) and new and increased services by Air New Zealand to Bali, Perth, Japan, North America and Sunshine Coast will assist with passenger volume growth in FY13.



Ambition 2020: delivering a smart airport future

DTB capacity enhancement project to commence shortly to allow 2 carriers to remain within the facility to mid-decade, then one carrier will move to phase one of a new terminal leaving a single carrier in DTB until late this decade at which time they will move to phase 2 of a new terminal.

Scope comprises works to forecourt, terminal and apron. Delivery programme is currently being worked through with stakeholders.

Minor works will commence this calendar year with bulk of works being undertaken during 2013.

Total capital expenditure on the DTB enhancement project expected to be between \$28 and \$30 million in FY13 and FY14.





Ambition 2020: delivering a smart airport future

Spatial Masterplanning inception process underway led by Arup (global airport master-planning experience).

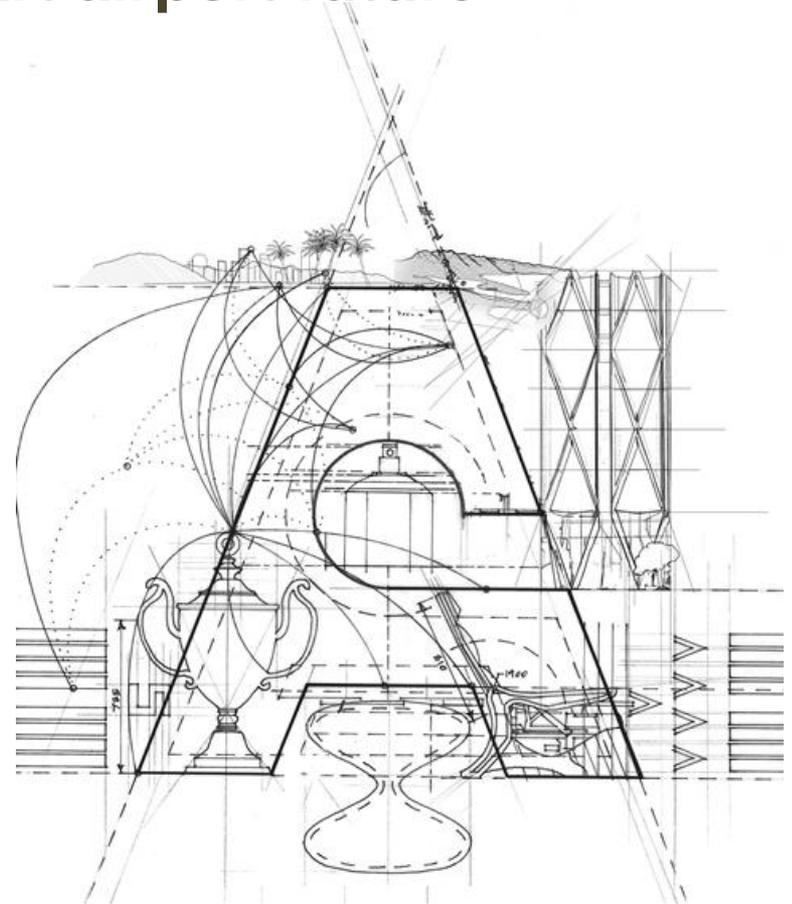
Inception process will take 5 weeks.

Full spatial master-plan process concluded within FY13.

New terminal facility planning process being worked through with key stakeholders.

Process in place for a locational decision in 2013 at which time design will commence.

Auckland Airport remains committed to a future terminal solution that delivers on tomorrow's travel, trade and tourism demands.





Ambition 2020: growing the Auckland Airport Business District

Rental growth strong in FY2012 after development in FY2010 and FY2011 brings in new rental income.

Current market for new property development is relatively weak.

Recent completed developments include Toll, CEVA and the Quad 5 office building.

Continuing to improve precinct appeal through improving amenities to open the potential of the Auckland Airport Business District.



Ambition 2020: building on retail success

International Passenger Spend Rate growth of 5.2% in FY12 compared to FY11, although rate of growth slowing.

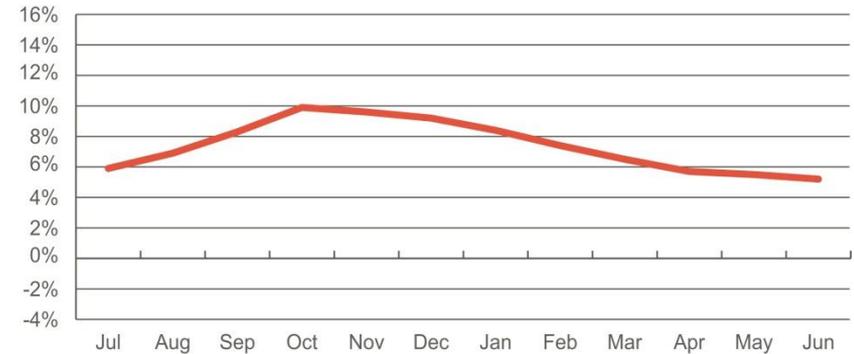
Retail income per international passenger increased from \$15.64 to \$16.15.

Car park revenue from online sales increased to 20% in FY12, and 24% for June 2012, up from 14% in FY11.

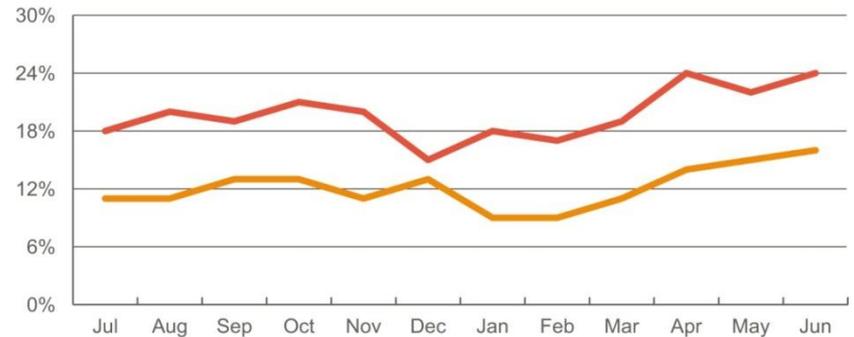
Average revenue per car park space (ARPS) increased 11% in FY12.

We continue to expand our customer segment focus via new extensions to products and promotions and quick trial methodology to test theories to grow yield.

Average YTD growth in International PSR



% Online Revenue FY11 v FY12



● FY11

● FY12



Ambition 2020: accepting a leadership role

The benefits of direct services to fast growing markets are significant.

The industry requires product, channels, promotions and processes to deliver higher value outcomes that maximise the opportunity for New Zealand.

Competition for these high-growth markets requires a New Zealand response that is more attractive than our competitor destinations.

Recent improvements in visa processing (e.g. in China) will be helpful to compete strongly as a destination.

We will play our part in seeking higher value tourism and trade values for New Zealand.



Progress against Big Aspirational Targets

In 2011 we established some big business targets for the future.

The targets were not necessarily solved in the plan but established a “heads up, aim high” attitude in the company.

The big goals show our passion for the possibilities of the business and our dedication to aim high in the outcomes we wish to achieve.



Underlying profit for the year ended 30 June 2012 was \$139.025 million, up 15%. This is outstanding progress in FY12 after significant growth in FY11 (up 15%) and we remain focused on the possibility of achieving this goal in FY13.



Auckland Airport won the best airport in Australia/Pacific in the FY12 Skytrax Awards for the fourth year in a row. We remain committed to continuously improving the passenger experience.



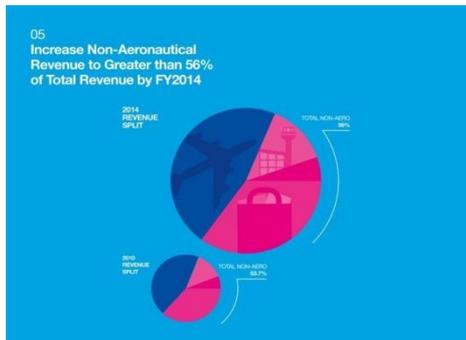
Progress against Big Aspirational Targets



Chinese arrivals grew 31.9% in the financial year to June 2012, and 66.9% from base year of FY10. In June 2012, management launched Ambition 2020 to target Australia, Asia and America as key growth markets.



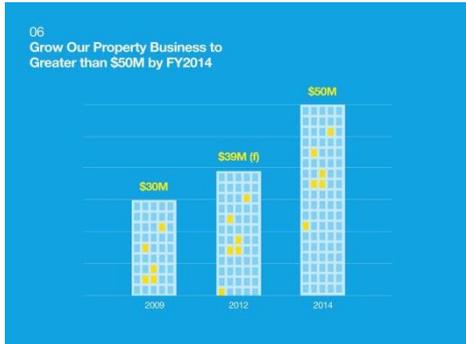
International passenger numbers increased to 7.194 million (excluding transits) in FY12, an 800k (12.5%) increase from FY09. While we remain committed to route development in key markets to drive passenger growth, this goal is now a stretch target and a very ambitious milestone.



Non aeronautical revenue saw a fantastic result in FY12 increasing % of total revenue to 55.7%, from 53.7% in FY10 - nearly reaching this target already.



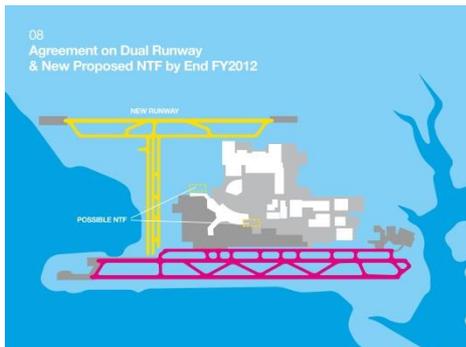
Progress against Big Aspirational Targets



Property rent roll for properties outside the terminal was \$41 million for the year to 30 June 2012, 14.1% increase on prior year. An outstanding result, but will take another two outperforming years in FY13 and FY14 to achieve this goal.



Retail segment revenue grew another 9.1% in 2012 to \$166 million. A stellar growth performance in FY12 has made achieving this goal in FY13 is a strong possibility.



We are in in-depth consultation with our main airline partners for the existing domestic terminal and a New Terminal Facility. New ideas were brought to the table throughout the pricing consultation and we hope to have an agreed plan by the end of calendar year 2013.



Future capital expenditure

Capital expenditure	Forecast FY2013 (\$m)
Aeronautical	66
Property	30
Retail and car parking	5
Infrastructure and other	3
Total	104

Capital expenditure is forecast to be between \$100m and \$110m in FY13, excluding yet to be committed property expenditure and yet to be committed New Terminal Facility expenditure.

Any significant capital expenditure on retail and car parking is also excluded until New Terminal Facility plans and location are finalised.



Opportunities exist for long term growth

Despite the challenge of rapidly changing global markets for travel, trade and tourism, we still see opportunities for long term growth:

- **Designing and developing a Smart Airport future with increased domestic capacity, and improved infrastructure for all stakeholders including airlines and passengers**
- **Maintaining growth momentum through taking a leadership role and focusing on aeronautical development in key growth markets**

Despite the challenges, the business growth momentum is expected to deliver net profit after tax (excluding any fair value changes and other one-off items) of between \$143 million and \$150 million in FY13, subject to any other material adverse events, significant one-off expenses, non-cash fair value changes to property and further deterioration due to the global market conditions or other unforeseeable circumstances.

