



Market Release | 24 September 2018

Auckland Airport launches retail bond offer

Auckland International Airport Limited (“**Auckland Airport**”) confirmed today that it is offering up to NZ\$125,000,000 of six year fixed rate bonds (with the ability to accept up to NZ\$50,000,000 in oversubscriptions at Auckland Airport’s discretion) (the “**Bonds**”) to New Zealand retail investors and to institutional investors.

The offer opens today and will be made pursuant to the Financial Markets Conduct Act 2013 as an offer of debt securities of the same class as existing quoted debt securities. The notice required by the Financial Markets Conduct Regulations 2014 has been provided to NZX and is attached. The Bonds are expected to be quoted on the NZX Debt Market.

Full details of the bond issue are contained in the terms sheet which has been prepared for the offer and is **attached**. A copy of the presentation that Auckland Airport will be giving to investors in connection with the offer is also **attached**.

The offer will open with an indicative margin range of 0.95 per cent to 1.05 per cent per annum and the Bonds will mature on 10 October 2024. An announcement of the actual margin and the interest rate on the Bonds will be made following the conclusion of the bookbuild process, which is expected to be on 26 September 2018. The terms sheet will be updated to include the interest rate and will be released on the same day.

The Bonds are expected to be assigned a long term credit rating of A- by Standard and Poor’s.

There is no public pool for the offer, with 100 per cent of the Bonds reserved for clients of ANZ and Westpac (as Joint Lead Managers), NZX participants, other approved financial intermediaries and institutional investors. The offer will close on 26 September 2018 following the completion of the bookbuild process.

Interested investors should contact the Joint Lead Managers or their usual financial adviser for more details.

Ends

For assistance, please contact:

Campbell De Morgan
Treasury Specialist
+64 9 255 9029
campbell.demorgan@aucklandairport.co.nz

ANZ Bank New Zealand Limited (ANZ)
0800 269 476

Westpac Banking Corporation (ABN 33 007 457 141) (acting through its New Zealand branch) (Westpac)
0800 942 822

Market Release | 24 September 2018

Notice pursuant to clause 20(1)(a) of schedule 8 of the Financial Markets Conduct Regulations 2014

Auckland International Airport Limited ("**Auckland Airport**") gives notice under clause 20(1)(a) of schedule 8 of the Financial Markets Conduct Regulations 2014 ("**Regulations**") that it proposes to make an offer for the issue of fixed rate bonds ("**new bonds**") in reliance upon the exclusion in clause 19 of schedule 1 of the Financial Markets Conduct Act 2013 ("**FMCA**").

The main terms of the offer and the new bonds are set out in the attached terms sheet. Except for the interest rate and maturity date, the new bonds will have identical rights, privileges, limitations and conditions as Auckland Airport's:

- (a) 4.73% NZ\$100,000,000 fixed rate bonds maturing on 13 December 2019 which are quoted on the NZX Debt Market under the ticker code AIA120;
- (b) 5.52% NZ\$150,000,000 fixed rate bonds maturing on 28 May 2021 which are quoted on the NZX Debt Market under the ticker code AIA130;
- (c) 4.28% NZ\$100,000,000 fixed rate bonds maturing on 9 November 2022 which are quoted on the NZX Debt Market under the ticker code AIA200;
- (d) 3.97% NZ\$225,000,000 fixed rate bonds maturing on 2 November 2023 which are quoted on the NZX debt market under the ticker code AIA210; and
- (e) 3.64% NZ\$100,000,000 fixed rate bonds maturing on 17 April 2023 which are quoted on the NZX debt market under the ticker code AIA220,

(together, **Quoted Bonds**) and therefore are of the same class as the Quoted Bonds for the purposes of the FMCA and the Regulations.

The Quoted Bonds have been continuously quoted on the NZX Debt Market over the preceding 3 months.

As at the date of this notice, Auckland Airport is in compliance with:

- (a) the continuous disclosure obligations that apply to it in relation to the Quoted Bonds;
and
- (b) its financial reporting obligations (as defined under the Regulations).

As at the date of this notice, there is no excluded information for the purposes of the Regulations.

As at the date of this notice, there is no information that would be required to be disclosed under a continuous disclosure obligation or which would be excluded information required to be disclosed for the purposes of the Regulations if the Quoted Bonds had had the same redemption date or interest rate as the new bonds being offered.

Ends

For assistance, please contact:

Campbell De Morgan

Treasury Specialist

+64 9 255 9029

campbell.demorgan@aucklandairport.co.nz

Terms sheet for fixed rate bonds due 10 October 2024

This Terms Sheet is prepared in respect of an offer by Auckland International Airport Limited (**Auckland Airport**) of up to NZ\$125,000,000 (with the ability to accept up to NZ\$50,000,000 in oversubscriptions at Auckland Airport's discretion) of fixed rate bonds (**Bonds**) under its master trust deed dated 9 July 2004 (as amended and restated from time to time), as modified and supplemented by the supplemental trust deed dated 17 September 2018 entered into between Auckland International Airport Limited and The New Zealand Guardian Trust Company Limited (**Supervisor**) (together, **Trust Documents**).

Important Notice

The offer of Bonds is being made in reliance upon the exclusion in clause 19 of schedule 1 of the Financial Markets Conduct Act 2013 (**FMCA**). Except for the interest rate and maturity date, the Bonds will have identical rights, privileges, limitations and conditions as Auckland Airport's:

- (a) 4.73% NZ\$100,000,000 fixed rate bonds maturing on 13 December 2019 which are quoted on the NZX Debt Market under the ticker code AIA120;
- (b) 5.52% NZ\$150,000,000 fixed rate bonds maturing on 28 May 2021 which are quoted on the NZX Debt Market under the ticker code AIA130;
- (c) 4.28% NZ\$100,000,000 fixed rate bonds maturing on 9 November 2022 which are quoted on the NZX Debt Market under the ticker code AIA200;
- (d) 3.97% NZ\$225,000,000 fixed rate bonds maturing on 2 November 2023 which are quoted on the NZX Debt Market under the ticker code AIA210; and
- (e) 3.64% NZ\$100,000,000 fixed rate bonds maturing on 17 April 2023 which are quoted on the NZX Debt Market under the ticker code AIA220,

(together, **Quoted Bonds**) and therefore are of the same class as the Quoted Bonds for the purposes of the FMCA and the Financial Markets Conduct Regulations 2014 (**FMC Regulations**).

Auckland Airport is subject to a disclosure obligation that requires it to notify certain material information to NZX Limited (**NZX**) for the purpose of that information being made available to participants in the market and that information can be found by visiting <https://www.nzx.com/companies/AIA>.

Investors should look to the market price of the Quoted Bonds to find out how the market assesses the returns and risk premium for those bonds.

Dated 24 September 2018

Issuer	Auckland International Airport Limited.	
Description of Bonds	Direct, unsecured, unsubordinated, fixed rate debt obligations of Auckland Airport ranking equally and without preference among themselves and equally with all other outstanding unsecured and unsubordinated indebtedness of Auckland Airport (except indebtedness preferred by law).	
Purpose	General corporate purposes.	
Joint Lead Managers	ANZ Bank New Zealand Limited and Westpac Banking Corporation (ABN 33 007 457 141) (acting through its New Zealand Branch).	
Organising Participant	Westpac Banking Corporation (ABN 33 007 457 141) (acting through its New Zealand Branch).	
Credit Ratings	Expected Long-Term Issue Credit Rating A- S&P Global	Long-Term Issuer Credit Rating A- (stable) S&P Global
	Further information about S&P Global credit rating scale is available at www.standardandpoors.com . A credit rating is not a recommendation to invest in the Bonds and may be subject to revision, suspension or withdrawal at any time.	
Issue Amount	Up to NZ\$125,000,000 with the ability to accept up to NZ\$50,000,000 in oversubscriptions at Auckland Airport's discretion.	
Opening Date	Monday, 24 September 2018, immediately following release on the NZX Debt Market of the notice required by the FMC Regulations in connection with the offer.	
Closing Date	2.00pm on Wednesday, 26 September 2018.	
Rate Set Date	Wednesday, 26 September 2018.	
Issue Date and allotment date	Wednesday, 10 October 2018.	
Maturity Date	Thursday, 10 October 2024.	
Interest Rate	The aggregate of the Base Rate and the Margin on the Rate Set Date. The Interest Rate will be announced by Auckland Airport via NZX on or shortly after the Rate Set Date. The Interest Rate will not change after the Rate Set Date.	
Base Rate	The semi-annual mid-market swap rate for an interest rate swap of a term matching the period from the Issue Date to the Maturity Date as calculated by the Joint Lead Managers in accordance with market convention with reference to Bloomberg page ICNZ4 on the Rate Set Date and expressed on a semi-annual basis, rounded to 2 decimal places, if necessary with 0.005 being rounded up.	
Indicative Margin and actual Margin	The indicative margin range is 0.95 per cent to 1.05 per cent per annum for the Bonds. The actual Margin for the Bonds, (which may be above or below the abovementioned indicative margin range), will be set by Auckland Airport (in consultation with the Joint Lead Managers) on the Rate Set Date following a bookbuild by the Joint Lead Managers. The actual Margin will be announced by Auckland Airport via NZX on or shortly after the Rate Set Date.	
Interest Payment Dates	10 April and 10 October in each year until and including the Maturity Date.	

First Interest Payment Date	10 April 2019.
Frequency of interest payments	Semi-annually (half annual amount) in arrear on each Interest Payment Date. If an Interest Payment Date falls on a day that is not a Business Day, the relevant payment will be made on the next day which is a Business Day, without adjustment, interest or further payment as a result thereof.
Issue price / Principal Amount	NZ\$1.00 per Bond.
Minimum Principal Amount and minimum holding amount	The Minimum Principal Amount and minimum holding amount in respect of the Bonds is NZ\$10,000 and multiples of NZ\$1,000 thereafter.
Record Date	10 calendar days before an Interest Payment Date or, if not a Business Day, the immediately preceding Business Day.
Business Day	A day (other than a Saturday or Sunday) on which registered banks are generally open for business in Wellington and Auckland.
Quotation	NZX Debt Market (Ticker Code: AIA230). Application has been made to NZX for permission to quote the Bonds on the NZX Debt Market.
Expected date of initial quotation and trading on the NZX Debt Market	It is expected that quotation on the NZX Debt Market will occur on Thursday, 11 October 2018.
Registrar	Link Market Services Limited.
ISIN	NZAIAD0230L0.
Repo-eligibility	Auckland Airport intends to apply to the Reserve Bank of New Zealand for the Bonds to be included as eligible securities for domestic market operations.
Early repayment	In the case of an event of default as set out in the Trust Documents, which is continuing unremedied, the Supervisor may, and immediately upon being directed to do so by an extraordinary resolution (as defined under the Trust Documents) of holders of Bonds of this series must, declare the principal amount and accrued interest on the Bonds to be immediately due and payable. If the Bonds are declared due and payable prior to the Maturity Date, interest will be payable at the Interest Rate from the most recent Interest Payment Date to and including the date of repayment.
Governing law	New Zealand.
Who may apply	All of the Bonds are reserved for clients of the Joint Lead Managers, primary market participants and other approved financial intermediaries. There is no public pool for the offer. Investors wishing to purchase the Bonds should contact their broker or financial adviser. In respect of any oversubscriptions or generally, any allotment of Bonds will be at Auckland Airport's discretion, in consultation with the Joint Lead Managers. Auckland Airport reserves the right to refuse to make any allotment (or part thereof) without giving any reason. Each investor's broker or financial adviser will be able to advise them as to what arrangements will need to be put in place for the investor to trade the Bonds including obtaining a common shareholder number (CSN), an authorisation code (FIN) and opening an account with a primary market participant as well as the costs and timeframes for putting such arrangements in place.

NZX waivers

NZX has granted Auckland Airport a waiver from NZX Listing Rule 11.1.1, to enable Auckland Airport to decline to accept or register a transfer of Bonds if such transfer would result in the transferor holding or continuing to hold Bonds with a principal amount of less than the applicable minimum principal amount (or minimum multiple thereof). The effect of the waiver from NZX Listing Rule 11.1.1 is that the minimum holding amount in respect of the Bonds will be Bonds with an aggregate principal amount of not less than NZ\$10,000 and multiples of \$1,000 over the minimum holding amount. Auckland Airport may refuse a transfer if the transfer is not in multiples of \$1,000.

NZX has also granted Auckland Airport a waiver from NZX Listing Rule 5.2.3 to enable Auckland Airport to apply for quotation on the NZX Debt Market even though the Bonds may not initially be held by at least 100 members of the public holding at least 25% of the Bonds issued. The waiver has been granted for a period of six-months from the quotation date of the Bonds. The effect of the waiver from NZX Listing Rule 5.2.3 is that initially the Bonds may not be widely held and there may be reduced liquidity in the Bonds. To the extent that there is a material reduction in the spread of the Bonds, Auckland Airport will notify NZX accordingly.

NZX has also granted Auckland Airport a waiver from NZX Listing Rule 7.11.1 to allow Auckland Airport to allot the Bonds no later than 10 business days after the Closing Date. The effect of the waiver from NZX Listing Rule 7.11.1 is that the Bonds will be allotted later than 5 business days after the Closing Date.

Selling restrictions

The selling restrictions set out in the schedule to this Terms Sheet apply.

The dates and times set out in this Terms Sheet are indicative only and are subject to change. Auckland Airport has the right in its absolute discretion and without notice to close the offer early, to extend the Closing Date, or to choose not to proceed with the offer. If the Closing Date is extended, subsequent dates may be extended accordingly.

Any internet site addresses provided in this Terms Sheet are for reference only and, except as expressly stated otherwise, the content of any such internet site is not incorporated by reference into, and does not form part of, this Terms Sheet.

Copies of the Trust Documents will be made available by Auckland Airport for inspection during usual business hours by any bondholder at the office of Auckland Airport at the address below (or such office as Auckland Airport may notify the bondholders from time to time).

Investors are personally responsible for ensuring compliance with all relevant laws and regulations applicable to them (including any required registrations). Investors should seek qualified, independent legal, financial and taxation advice before deciding to invest.

For further information regarding Auckland Airport, visit <https://www.nzx.com/companies/AIA>.

ADDRESS DETAILS
Auckland International Airport Limited

First Floor
4 Leonard Isitt Drive
Auckland Airport
Manukau 2022

ANZ Bank New Zealand Limited

23-29 Albert Street
Auckland 1010

Westpac Banking Corporation

(ABN 33 007 457 141)
(acting through its New Zealand branch)
Westpac on Takutai Square
Level 8, 16 Takutai Square
Auckland 1010

Schedule – Selling restrictions

PART A – INITIAL SELLING RESTRICTIONS

The Bonds may only be offered in New Zealand in conformity with all applicable laws and regulations in New Zealand. In respect of the initial offer of Bonds by Auckland Airport under this Terms Sheet (**Initial Offer**), no Bonds may be offered in any other country or jurisdiction except in conformity with all applicable laws and regulations of that country or jurisdiction and the selling restrictions set out below in this Part A. This Terms Sheet may not be published, delivered or distributed in or from any country or jurisdiction except under circumstances which will result in compliance with all applicable laws and regulations in that country or jurisdiction and the selling restrictions set out below in this Part A. For the avoidance of doubt, the selling restrictions set out below in this Part A apply only in respect of the Initial Offer.

No action has been or will be taken by the Issuer which would permit an offer of Bonds to the public, or possession or distribution of any offering material, in any country or jurisdiction where action for that purpose is required (other than New Zealand).

By purchasing the Bonds, each bondholder is deemed to have indemnified the Issuer, the Joint Lead Managers and Organising Participant, and the Supervisor for any loss suffered by any of them by reason of any breach of the selling restrictions.

United States of America

The Bonds have not been and will not be registered under the Securities Act of 1933, as amended (**Securities Act**) and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act (**Regulation S**)) except in accordance with Regulation S or pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

None of Auckland Airport, any Joint Lead Manager nor any person acting on its or their behalf has engaged or will engage in any directed selling efforts (as defined in Regulation S) in relation to the Bonds, and each of Auckland Airport and the Joint Lead Managers has complied and will comply with the offering restrictions in Regulation S.

The Bonds will not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (i) as part of their distribution at any time, or (ii) otherwise until 40 days after the completion of the distribution of all Bonds of the Tranche of which such Bonds are part, as determined and certified by the Joint Lead Managers, except in accordance with Rule 903 of Regulation S. Any Bonds sold to any distributor, dealer or person receiving a selling concession, fee or other remuneration during the distribution compliance period require a confirmation or notice to the purchaser at or prior to the confirmation of the sale to substantially the following effect:

“The Bonds covered hereby have not been registered under the United States Securities Act of 1933, as amended (the **Securities Act**) or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered or sold within the United States, or to or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act) (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering of the Bonds and the closing date except in either case pursuant to a valid exemption from registration in accordance with Regulation S under the Securities Act. Terms used above have the meaning given to them by Regulation S.”

Until 40 days after the completion of the distribution of all Bonds of the Tranche of which those Bonds are a part, an offer or sale of the Bonds within the United States by the Joint Lead Managers or any dealer or other distributor (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Regulation S.

Relevant Member States of the European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a **Relevant Member State**), with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the **Relevant Implementation Date**) no Bonds have been offered and no Bonds will be offered that are the subject of the offering contemplated by this Terms Sheet in relation thereto to the public in that Relevant Member State except that an offer of Bonds to the public in the Relevant Member State may be made with effect from the Relevant Implementation Date:

- (a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the Joint Lead Managers nominated by Auckland Airport for any such offer; or
- (c) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of the Bonds shall require Auckland Airport or any Joint Lead Manager to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an **offer of the Bonds to the public** in relation to any Bonds in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Bonds to be offered so as to enable an investor to decide to purchase or subscribe for the Bonds, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State, and the expression **Prospectus Directive** means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU) and includes any relevant implementing measure in each Relevant Member State.

United Kingdom

No communication, invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (**FSMA**)) has been or may be made or caused to be made or will be made in connection with the issue or sale of the Bonds in circumstances in which section 21(1) of the FSMA applies to Auckland Airport.

All applicable provisions of the FSMA with respect to anything done in relation to the Bonds in, from or otherwise involving the United Kingdom must be complied with.

Japan

The Bonds have not been and will not be registered in Japan pursuant to Article 4, Paragraph 1 of the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the **FIEA**) in reliance upon the exemption from the registration requirements since the offering constitutes the small number private placement as provided for in “*ha*” of Article 2, Paragraph 3, Item 2 of the FIEA. A Japanese Person who transfers the Bonds shall not transfer or resell the Bonds except where the transferor transfers or resells all the Bonds en bloc to one transferee. For the purposes of this paragraph, **Japanese Person** shall mean any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

Singapore

Singapore Securities and Futures Act Product Classification

– Solely for the purposes of its obligations pursuant to sections 309B(1)(a) and 309B(1)(c) of the Securities and Futures Act (Chapter 289 of Singapore) (the **SFA**), Auckland Airport has determined, and hereby notifies all relevant persons (as defined in Section 309A of the SFA) that the Bonds are “prescribed capital markets products” (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

This Terms Sheet has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Terms Sheet and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Bonds may not be circulated or distributed, nor may the Bonds be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to any person in Singapore other than (a) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, (b) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Bonds are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries’ rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Bonds pursuant to an offer made under Section 275 of the SFA except:

- (1) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

- (2) where no consideration is or will be given for the transfer;
- (3) where the transfer is by operation of law;
- (4) as specified in Section 276(7) of the SFA; or
- (5) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

Hong Kong

No Bonds have been offered or sold or will be or may be offered or sold in Hong Kong, by means of any document other than (a) to **professional investors** as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the **SFO**) and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a **prospectus** as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the **C(WUMP)O**) or which do not constitute an offer to the public within the meaning of the C(WUMP)O.

No advertisement, invitation or document relating to the Bonds may be issued or in the possession of any person or will be issued or be in the possession of any person in each case for the purpose of issue, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the Bonds which are or are intended to be disposed of only to persons outside Hong Kong or only to **professional investors** as defined in the SFO and any rules made under the SFO.

Australia

No prospectus or other disclosure document (as defined in the Corporations Act 2001 of Australia (**Corporations Act**)) in relation to the Bonds has been, or will be, lodged with, or registered by, the Australian Securities and Investments Commission (**ASIC**) or any other regulatory authority in Australia. No person may:

- (a) make or invite (directly or indirectly) an offer of the Bonds for issue, sale or purchase in, to or from Australia (including an offer or invitation which is received by a person in Australia); and
- (b) distribute or publish, any Terms Sheet, information memorandum, prospectus or any other offering material or advertisement relating to the Bonds in Australia,

unless:

- (i) the aggregate consideration payable by each offeree or invitee is at least A\$500,000 (or its equivalent in an alternative currency and, in either case, disregarding moneys lent by the offeror or its associates) or the offer or invitation otherwise does not require disclosure to investors in accordance with Part 6D.2 or Part 7.9 of the Corporations Act;
- (ii) the offer or invitation is not made to a person who is a “retail client” within the meaning of section 761G of the Corporations Act;
- (iii) such action complies with all applicable laws, regulations and directives; and
- (iv) such action does not require any document to be lodged with ASIC or any other regulatory authority in Australia.

By applying for the Bonds under this Terms Sheet, each person to whom the Bonds are issued (an **Investor**):

- (a) will be deemed by the Issuer and each of the Joint Lead Managers to have acknowledged that if any Investor on-sells the Bonds within 12 months from their issue, the Investor will be required to lodge a prospectus or other disclosure document (as defined in the Corporations Act) with ASIC unless either:
 - (i) that sale is to an investor within one of the categories set out in sections 708(8) or 708(11) of the Corporations Act to whom it is lawful to offer the Bonds in Australia without a prospectus or other disclosure document lodged with ASIC; or
 - (ii) the sale offer is received outside Australia; and
- (b) will be deemed by the Issuer and each of the Joint Lead Managers to have undertaken not to sell those Bonds in any circumstances other than those described in paragraphs (a)(i) and (a)(ii) above for 12 months after the date of issue of such Bonds.

This Terms Sheet is not, and under no circumstances is to be construed as, an advertisement or public offering of any Bonds in Australia.

PART B – GENERAL SELLING RESTRICTIONS

The Bonds may only be offered for sale or sold in New Zealand in conformity with all applicable laws and regulations in New Zealand. No Bonds may be offered for sale or sold in any other country or jurisdiction except in conformity with all applicable laws and regulations of that country or jurisdiction. No offering document or other offering material in respect of the Bonds may be published, delivered or distributed in or from any country or jurisdiction except under circumstances which will result in compliance with all applicable laws and regulations in that country or jurisdiction. No action has been or will be taken by the Issuer which would permit an offer of Bonds to the public, or possession or distribution of any offering material, in any country or jurisdiction where action for that purpose is required (other than New Zealand).

By purchasing the Bonds, each Holder is deemed to have indemnified the Issuer, the Joint Lead Managers, the Organising Participant, and the Supervisor for any loss suffered by any of them by reason of any breach of the selling restrictions contained in the above paragraph.



NZDCM Presentation

September 2018

Philip Neutze
Chief Financial Officer

Stewart Reynolds
Strategy, Planning and Performance

Building
Delivering
Planning
Building
Delivering
Planning
Building
Delivering
Planning
Building
Delivering
Planning
Building
Delivering
Planning
Building
Delivering
Planning
Building
Delivering
Planning
Building

Important notice

2018 September NZDCM Presentation

Auckland Airport intends to make an offer of fixed rate bonds (Bonds) in reliance upon the exclusion in clause 19 of schedule 1 of the Financial Markets Conduct Act 2013 (FMCA).

Except for the interest rate and the maturity date, the Bonds will have identical rights, privileges, limitations and conditions as Auckland Airport's:

- (a) 4.73% NZ\$100,000,000 fixed rate bonds maturing on 13 December 2019 which are quoted on the NZX Debt Market under the ticker code AIA120;
 - (b) 5.52% NZ\$150,000,000 fixed rate bonds maturing on 28 May 2021 which are quoted on the NZX Debt Market under the ticker code AIA130;
 - (c) 4.28% NZ\$100,000,000 fixed rate bonds maturing on 9 November 2022 which are quoted on the NZX Debt Market under the ticker code AIA200;
 - (d) 3.97% NZ\$225,000,000 fixed rate bonds maturing on 2 November 2023 which are quoted on the NZX Debt Market under the ticker code AIA210; and
 - (e) 3.64% NZ\$100,000,000 fixed rate bonds maturing on 17 April 2023 which are quoted on the NZX Debt Market under the ticker code AIA220,
- (together, Quoted Bonds) and therefore are the same class as the Quoted Bonds for the purposes of the FMCA and the Financial Markets Conduct Regulations 2014.

Auckland Airport is subject to a disclosure obligation that requires it to notify certain material information to NZX Limited (NZX) for the purpose of that information being made available to participants in the market and that information can be found by visiting <https://www.nzx.com/companies/AIA>. Investors should look to the market price of the Quoted Bonds to find out how the market assesses the returns and the risk premium for those bonds.

Key Terms of the Offer

2018 September NZDCM Presentation

Issuer	Auckland International Airport Limited ("Auckland Airport")
Description of Bonds	Direct, unsecured, unsubordinated, fixed rate debt obligations of Auckland Airport ranking equally and without preference among themselves and equally with all other outstanding unsecured and unsubordinated indebtedness of Auckland Airport (except indebtedness preferred by law)
Issuer Long-Term Credit Rating (S&P)	A-
Expected Long-Term Issue Credit Rating (S&P)	A-
Issue Amount	Up to NZ\$125,000,000 with the ability to accept up to NZ\$50,000,000 oversubscriptions at Auckland Airport's discretion
Opening Date	Monday, 24 September 2018
Closing Date	2.00pm on Wednesday, 26 September 2018
Issue Date	Wednesday, 10 October 2018
Tenor	6 years
Maturity Date	Thursday, 10 October 2024
Interest Rate	The aggregate of the Base Rate and the Margin on the rate set date
Indicative Issue Margin	Announced via the NZX on Monday, 24 September 2018
Interest Payment Dates	10 April and 10 October in each year until and including the Maturity Date
Minimum Denomination	NZ\$10,000 and multiples of NZ\$1,000 thereafter
Interest Payments	Semi-annually in arrears
Joint Lead Managers	ANZ Bank New Zealand Limited and Westpac Banking Corporation (ABN 33 007 457 141) (acting through its New Zealand Branch)
Registrar	Link Market Services Limited

Company overview

[illegible]

Auckland Airport at a glance

2018 September NZDCM Presentation

Company Overview

Strategy for our future

Financial Information

Outlook



20.5 million
annual passengers

93% share of long haul arrivals to New Zealand



Auckland Airport in 2018



174,000
flights each year

150
international flights each day

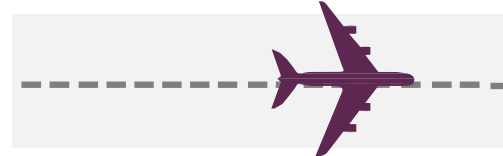
320
domestic flights each day

75% share of international visitors to New Zealand

6.7% average annual passenger growth over 50 years



1,500
hectares of land



3,635
metres of runway



24 x 7 operation,
365 days a year



800+
businesses



20,000+
people working at
and around the airport

100+
shops, cafés
and restaurants

2 hotels

Auckland Airport is the busiest in New Zealand

2018 September NZDCM Presentation

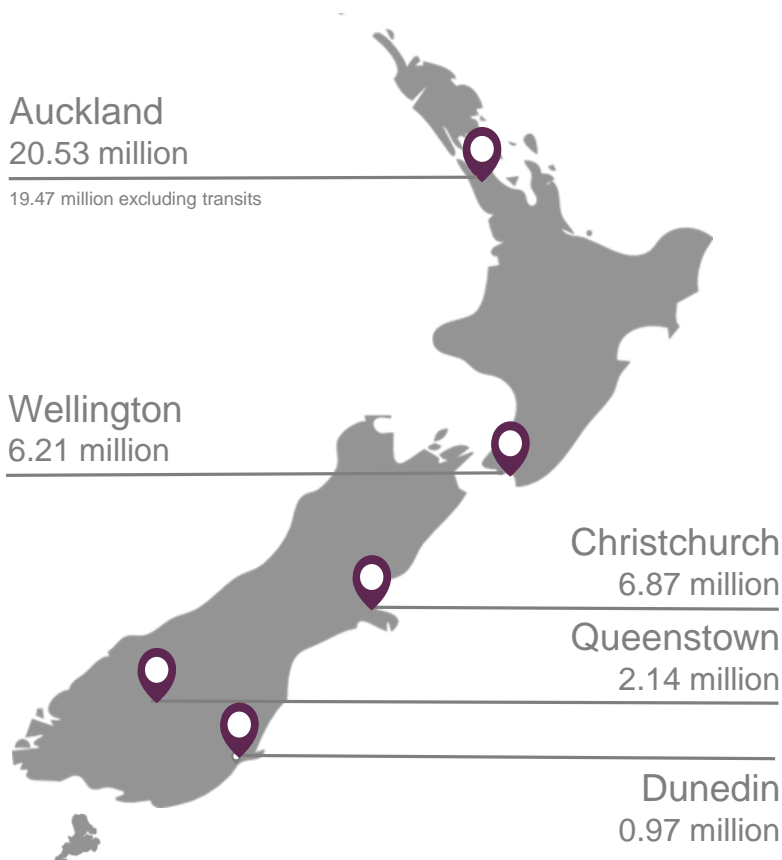
Company
Overview

Strategy for
our future

Financial
Information

Outlook

New Zealand international airports by passenger numbers¹



- The largest airport in New Zealand
- Main commercial airport serving New Zealand's largest city with:
 - 174,000 aircraft movements;
 - 75% of international passengers to New Zealand arrive or depart from Auckland Airport; and
 - 93% of long haul arrivals
- No flight curfew, capable of operating 24 hours a day, 7 days a week
- Auckland Airport is one of New Zealand's most important infrastructure assets. Listed on the NZX and ASX with a market capitalisation of \$8.4bn²
- Single 3,635m runway plus a future second runway will cater for Auckland's aviation requirements for the foreseeable future
- 1,500 hectares of freehold land on the Auckland isthmus

Connecting New Zealand to the world

2018 September NZDCM Presentation

Auckland Airport connects New Zealand to 48 international destinations

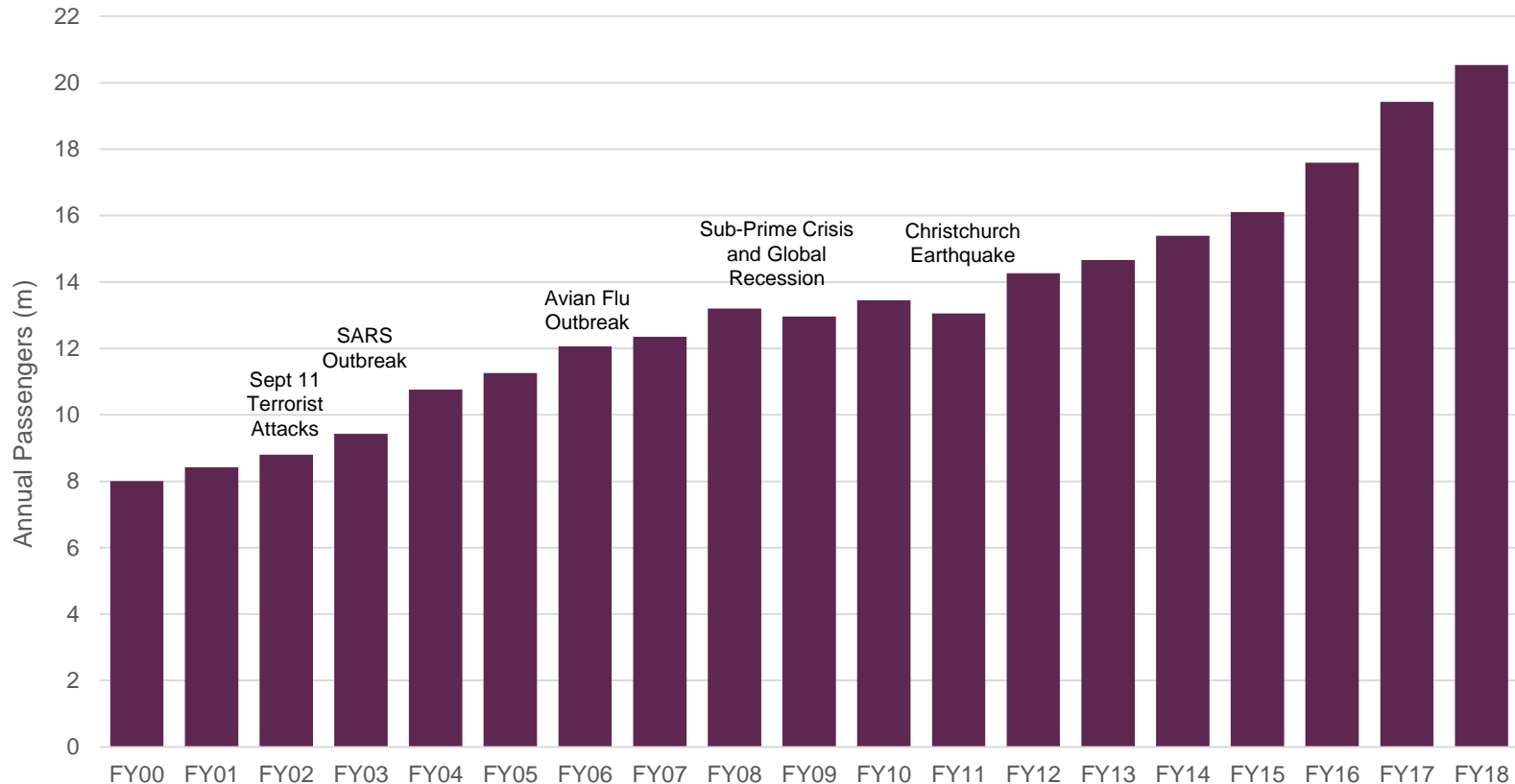


- 12 new airlines and 21 new routes added since 2015 have connected Auckland with new cities of nearly 140 million people, providing 29% increase in capacity
- Markets are evolving through greater consumer choice and more competitive pricing with direct services unlocking new visitor markets

Proven passenger growth

September NZDCM Presentation

Total passengers at Auckland Airport



- Continued growth at a CAGR¹ of 5.4% over the last 18 years demonstrates resilience to global economic weakness and other external shocks
- 20.5m total passengers in FY18, 40.0% higher than 5 years ago

Diverse and complementary business activities

2018 September NZDCM Presentation

Company
Overview

Strategy for
our future

Financial
Information

Outlook



Aeronautical



- \$301.2m revenue in FY18 (44% of the company)
- Comprised of a mix of passenger, MCTOW¹ and parking charges
- Prices set at least every five years
- Strategy to grow capacity, sustain capacity and diversity markets



Retail



- \$190.6m revenue in FY18 (28% of the company)
- Earned on a concession model from a range of stores mainly within the terminals and some off-airport
- Diverse retail offering with ~90 stores and 2 duty free operators
- Substantial redevelopment nearly complete



Transport



- \$61.0m revenue in FY18 (9% of the company)
- 12,338 parking spaces across a range of parking services from premium Valet to Park & Ride located throughout the precinct
- New products including Park & Ride Express and Drop & Ride launched to improve convenience and utilisation
- Increasing demand is driving ongoing expansion

Diverse and complementary business activities

2018 September NZDCM Presentation

Company
Overview

Strategy for
our future

Financial
Information

Outlook



Investment Property



- \$1.2bn investment property portfolio
- Medium to long term leases (WALT¹: 10.2 years)
- 250 hectares available for property development with direct motorway access to Auckland CBD
- Well-positioned to service demand with 34ha of non-committed, ready to develop serviced land



Hotel Portfolio



- Portfolio of two hotels being a Novotel 263 room 4+ star hotel (40% interest) and a ibis 198 room 3 star hotel
- 457 rooms to be added to the portfolio with the construction of two new hotels, the Pullman (311 rooms) and Hotel 4 (146 rooms)
- Both hotels are currently in the design and procurement phase



Queenstown



- ~25% stake in Queenstown Airport
- Queenstown Airport is the gateway to New Zealand's adventure capital, a major tourist destination
- Queenstown has a 100 year lease on Wanaka Airport

Regulatory environment

September NZDCM Presentation

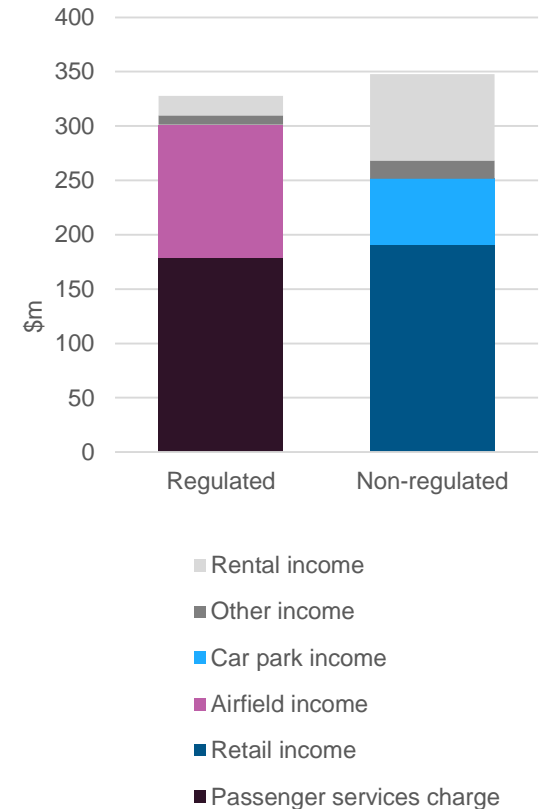
Overview

- Dual-till regime, with the aeronautical segment 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

Aeronautical prices for PSE3¹ (FY18 – 22)

- Forecast total aeronautical segment (including non aero pricing activities) after tax return of 7.06% p.a. on a growing aeronautical asset base (6.99% on “priced activities”)
- \$1.9b capital expenditure in 2017 (real) dollars (\$2.3b nominal) on aeronautical infrastructure over the next five years
- The 2017 pricing schedule has the average international aeronautical revenues per passenger reducing by 1.7% p.a. and domestic increasing by 0.8% p.a. in real terms over the next five years
- In April 2018, the Commerce Commission published its draft report on Auckland Airport’s PSE3 aeronautical pricing and it expects to publish its final report in October 2018

~50% of FY18 revenue is regulated





Strategy for our future

[illegible]

Our strategy

2018 September NZDCM Presentation

Company
Overview

Strategy for
our future

Financial
Information

Outlook

Faster Higher Stronger



Grow travel and
trade 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 hotel 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, operations and balance sheet



Invest for
future growth



Add to our strong infrastructure and commercial foundations for long-term sustainable growth



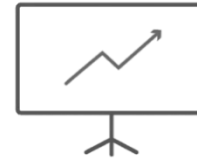
Long-term the outlook remains positive...

- Chinese and Indian middle-class emergence and passenger growth forecasts
- IATA forecasts Asia-Pac to grow in importance, with aircraft deliveries in the region also projected to be strong
- Long haul aircraft technology; efficiencies and enhancements
- New Zealand remains an attractive destination with 118 million active considerers

...but there are short-term challenges

- Jet fuel prices lifting off recent lows
- Some local infrastructure challenges
- Localised taxes and levies to fund infrastructure
- Geo-political and trade related protectionism

Multiple opportunities for growth remain



Grow Capacity

- Continue to focus on underserved markets such as China, South East Asia, Europe, North America



Sustain Capacity

- Building connectivity into tier 2 Chinese cities and supporting Chinese carriers to drive off-peak demand
- Driving US demand across the year, particularly off-peak



Diversify Markets

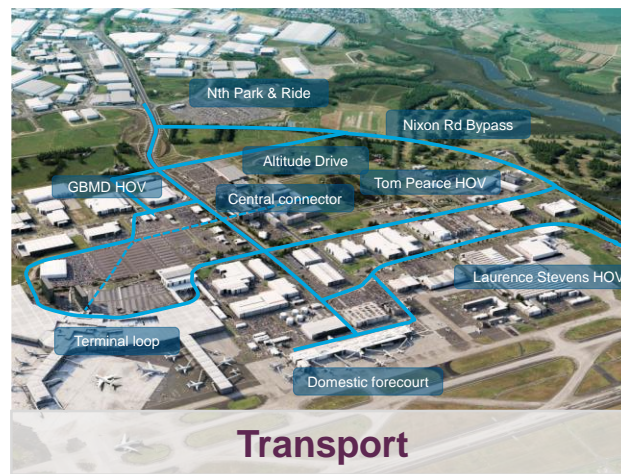
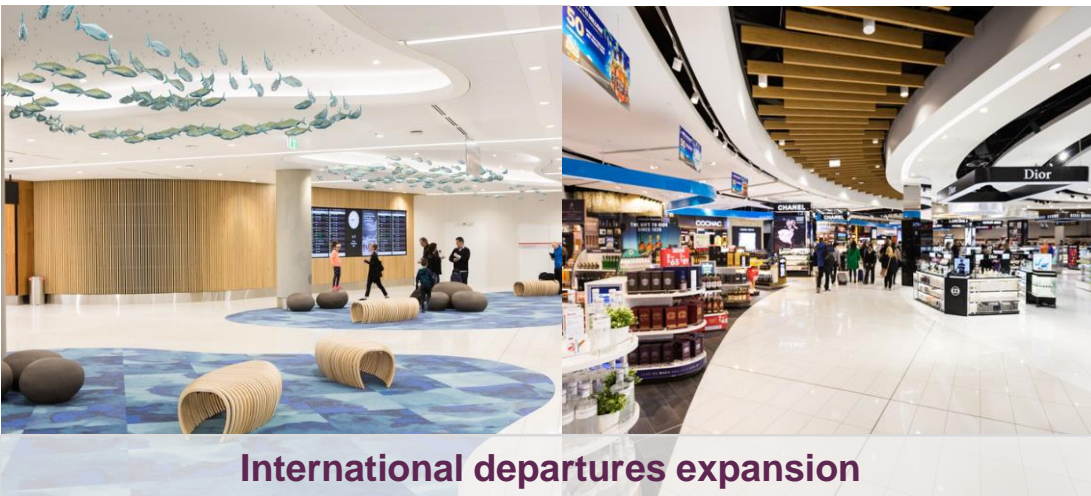
- Develop Auckland and the North Island as destinations for Australian travellers as well as driving increased friends and family related travel
- Focused on in-market development in India to support indirect services

Strategic priority: Investing for future growth

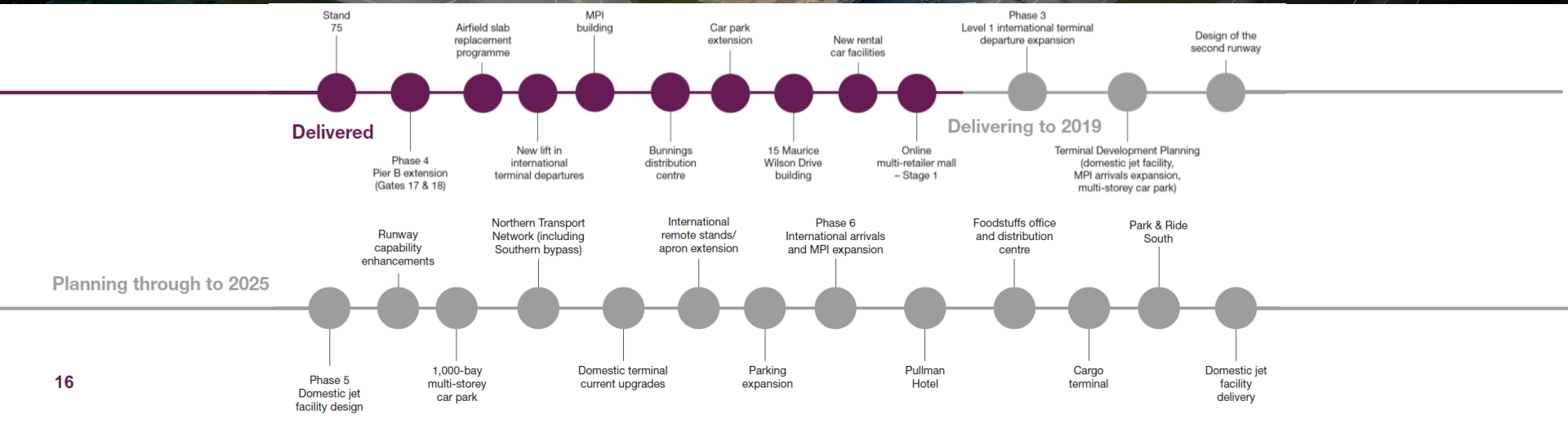
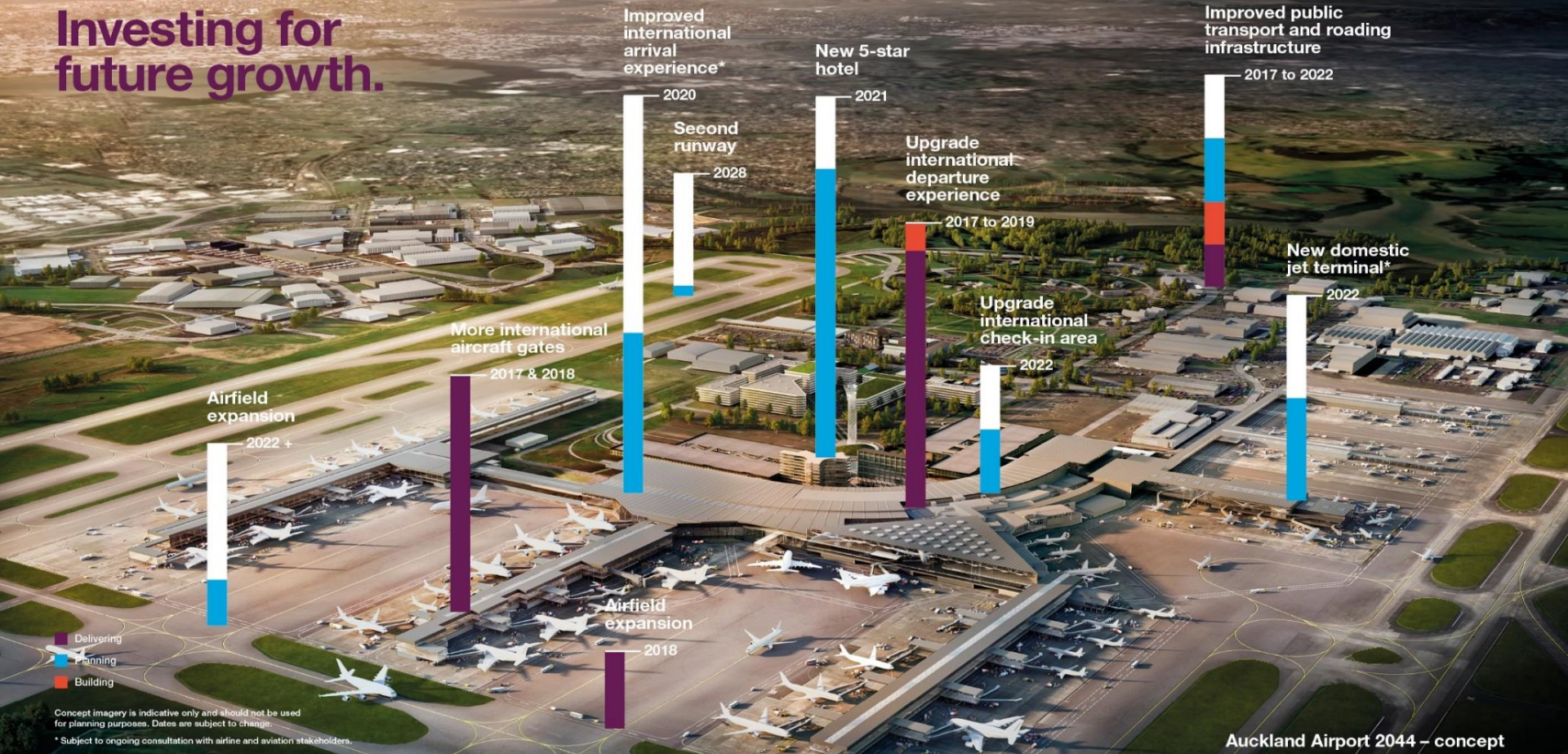


2018

September NZDCM Presentation



Investing for future growth.



Strategic priority: Be fast, efficient and effective



2018 September NZDCM Presentation

Investing in our core operations

To improve airport coordination



First stage trial of an integrated APOC¹ completed, enhancing collaboration between all operational stakeholders

To improve operational effectiveness



CCTV upgrade of over 1,000 cameras and systems, improving operational intelligence, and lifting security and performance

To improve passenger services



10 new specialist airside buses to provide an enhanced passenger experience on remote stands



Extended new world class airport planning, modelling and forecasting tools to border agency partners allowing better coordination



Added further mobile check-in kiosks to improve customer experience. Now servicing more than one million passengers a year



2 new mobile jet airbridges for a better experience for passengers on remote bussted stands, with another 4 on order



Improved retail offering driving strong revenue growth

- 2018 was a milestone year for our most complex project to date - the expansion of the international terminal emigration and dwell space
- The new environment is already delivering an improved customer experience, resulting in international terminal retail sales growth of 2.8%
- In 2018 we also soft launched 'The Mall', our world leading online retail platform
- The Mall represents the culmination of a strategy to bring physical and online retail together and make us match fit for the modern retail world
- The Mall simplifies the customer experience by enabling international passengers to purchase from multiple airport retailers with a single transaction and then pick up all their items from a single collection point
- Combined with our Strata single account system, we now believe we have one of the most advanced customer airport platforms in the world

13

New retail concepts opened during the year

17.1%

Increase in retail income

12.2%

Increase in retail income per passenger¹



First Michael Kors store in New Zealand



The Mall





International departures delivering an improved experience

Events during the FY18 year

- Opened new enlarged security screening, 'decompression' and dwell areas
- First stage of the Duty Free stores open
- Expansion to Duty Free stores and new Destination precinct
- Additional Destination and Food & Beverage outlets opened in the second half of the year
- First tranche of the new retail high street stores opened in June 2018, providing a range of leading luxury brands

To come in FY19

- Second stage of the new retail high street stores expected to be open by September
- Improved and expanded customer dwell area to be open by November
- Formal project sign-off by third quarter of FY19



Layout illustrative, not to scale



New and exclusive names are coming



2018 September NZDCM Presentation

Company Overview
Strategy for our future
Financial Information
Outlook

Luxury



Destination



Food & Beverage



Focusing on what's important

2018 September NZDCM Presentation

Company Overview

Strategy for our future

Financial Information

Outlook



Customer experience

Invested in infrastructure that has enhanced the customer experience

-  **45%** reduction in entry movements to the domestic terminal forecourt
-  **61%** reduction¹ in international flights subject to bus operations following commission of two new contact gates
-  **59%** improvement in land journey time reliability from the airport to Auckland City
- 4.0** ASQ customer satisfaction stable at just over four out of five
- 4.1** Customer in-terminal kiosk score, a 3.8% increase on prior year



Safety and sustainability

Committed to operating in a safe and environmentally sustainable way



Recognised as a New Zealand Top Carbon Reducer

- 1st** major airport in New Zealand to have its safety management system certified by the CAA
- 1st** airport globally to set a publicly disclosed Science Based Target for carbon reduction
-  Green Airports Award for waste minimisation
-  **113%** increase in reporting of safety observations²
-  **49%** reduction in the passenger injury rate



Education and employment

Sharing the benefits of our investment programme through job creation and training



- 1,082** training opportunities
- 215** job placements
- 68** students involved in work experience
- 9** local year 13 students Auckland Airport education scholarships
- \$572,021** investment in local communities
- 5** local community sponsorships

**Financial
information**

Building
Delivering
Planning
Building
Delivering
Planning
Building
Delivering
Planning
Building
Delivering
Planning
Building
Delivering
Planning
Building
Delivering
Planning
Building
Delivering
Planning
Building
Delivering
Planning
Building

[illegible]

Strong five year financial performance

2018 September NZDCM Presentation

Company
Overview

Strategy for
our future

Financial
Information

Outlook

For the year ended 30 June \$m	2018	2017	2016	2015	2014	CAGR
Revenue	683.9	629.3	573.9	508.5	475.8	9.5%
Expenses	177.5	156.2	143.6	128.5	120.6	10.1%
Earnings before interest, taxation, depreciation, fair value adjustments and investments in associates (EBITDAFI)	506.4	473.1	430.3	380.0	355.2	9.3%
<i>EBITDAFI Margin</i>	<i>74.0%</i>	<i>75.2%</i>	<i>75.0%</i>	<i>74.7%</i>	<i>74.7%</i>	
Share of profit/(loss) from associates	16.7	19.4	(8.4)	12.5	11.6	9.5%
Gain on sale of associates	297.4	-	-	-	-	n/a
Derivative fair value (decrease)/increase	(0.7)	2.5	(2.6)	(0.7)	0.6	n/a
Property, plant and equipment revaluation	-	-	(16.5)	(11.9)	4.1	n/a
Investment property revaluation	152.2	91.9	87.1	57.2	42.0	38.0%
Depreciation expense	88.9	77.9	73.0	64.8	63.5	8.8%
Interest expense	77.2	72.8	79.1	86.0	68.2	3.1%
Taxation expense	155.8	103.3	75.4	62.8	65.9	24.0%
Reported net profit after tax	650.1	332.9	262.4	223.5	215.9	31.7%
Underlying profit after tax¹	263.1	247.8	212.7	176.4	169.9	11.6%

Growth across all revenue streams

2018 September NZDCM Presentation

Revenue by segment

For the year ended 30 June \$m	2018	2017	2016	2015	2014	CAGR
Airfield income	122.1	119.6	103.4	93.3	87.6	8.7%
Passenger services charge	179.1	174.3	154.9	140.9	131.5	8.0%
Retail income	190.6	162.8	157.5	132.0	127.1	10.7%
Car park income	61.0	56.3	52.1	46.6	42.8	9.3%
Rental income	97.6	84.9	74.7	64.6	59.3	13.3%
Other income	33.5	31.4	31.3	31.1	27.5	5.1%
Total revenue	683.9	629.3	573.9	508.5	475.8	9.5%

- FY18 aeronautical revenue slightly up on prior year reflecting growth in passengers and runway movements, largely offset by a reduction in international and regional aeronautical prices
- Retail income rose by 17.1% in FY18 following Duty Free moving into the new space at the start of the financial year and the expanded space from early December 2017. Sections of other new retail space opened in the departure area of the international terminal in the year
- Parking revenue continued to increase in FY18 with ~1,000 new spaces
- Investment property rental income up 30.7% over the last two years driven by new properties, strong rental growth in the existing portfolio and ibis budget hotel performance

Summary balance sheet

2018 September NZDCM Presentation

Company
Overview

Strategy for
our future

Financial
Information

Outlook

For the year ended 30 June \$m	2018	2017	2016	2015	2014	CAGR
Cash	106.7	45.1	52.6	38.5	41.4	26.7%
Trade and other receivables	71.5	55.5	42.3	36.6	29.0	25.3%
Other current assets	0.2	3.4	8.0	12.3	3.2	(50.0)%
Current assets	178.4	104.0	102.9	87.4	73.6	24.8%
Property, plant and equipment	6,378.0	4,947.8	4,708.1	3,884.1	3,761.5	14.1%
Investment properties	1,425.6	1,198.0	1,048.9	848.1	733.4	18.1%
Investment in associates	104.4	171.6	142.8	163.6	158.4	(9.9)%
Derivative financial instruments	110.4	82.1	138.8	118.3	6.9	100.0%
Total assets	8,196.8	6,503.5	6,141.5	5,101.5	4,733.8	14.7%
Borrowings	2,060.3	2,056.6	1,886.9	1,722.5	1,506.9	8.1%
Other liabilities	454.4	417.9	373.9	336.1	308.2	10.2%
Total liabilities	2,514.7	2,474.5	2,260.8	2,058.6	1,815.1	8.5%
Equity	5,682.1	4,029.0	3,880.7	3,042.9	2,918.7	18.1%
Total liabilities and equity	8,196.8	6,503.5	6,141.5	5,101.5	4,733.8	14.7%

Capital expenditure

2018 September NZDCM Presentation

Company Overview

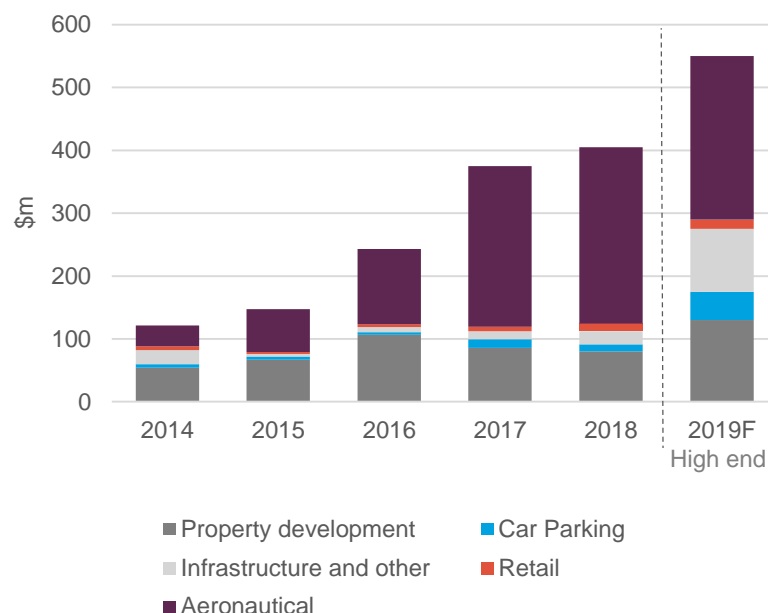
Strategy for our future

Financial Information

Outlook

- Capital expenditure in 2018 increased 8.1% to \$405.2m
- Over 90% of the capital expenditure is investing for future earnings growth, c.\$40m renewals spend per year
- Capital expenditure in FY19 is forecast to increase to between \$450m and \$550m* comprising:
 - completion of the international terminal departure upgrade, new taxiways, remote stands and aprons in the vicinity of Pier B, planning and enabling works for the new domestic jet facility, expansion of the MPI arrivals area;
 - continued investment in utilities, IT infrastructure, and transport projects; and
 - investment property developments including the Pullman Hotel, Foodstuffs Distribution Centre and offices for Airways

Historical and forecast capital expenditure



Credit metrics

2018 September NZDCM Presentation

Company
Overview

Strategy for
our future

Financial
Information

Outlook

For the year ended 30 June	2018	2017	2016	2015	2014
Debt / debt + market value of equity	20.4%	19.5%	19.7%	22.5%	24.7%
Debt / EBITDAFI	3.8x	4.3x	4.4x	4.5x	4.2x
Funds from operations / net debt	18.4%	16.5%	16.7%	15.3%	16.0%
Funds from operations interest cover	5.0x	4.9x	4.3x	3.7x	4.5x
Weighted average interest cost (12 months to 30 June)	4.2%	4.5%	5.1%	5.8%	6.0%
Average debt maturity profile (years)	4.9	4.7	4.3	4.9	3.2
Percentage of fixed borrowings	54.7%	51.4%	48.9%	49.5%	58.6%

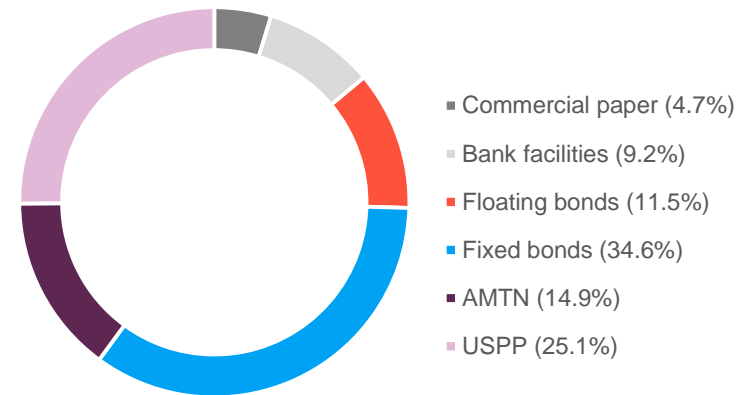
- Considerable headroom in Auckland Airport's key credit metrics for A- target rating
- FFO interest cover ratio exceeded pre capital return levels in September 2016. Growth in the debt book has been offset by decreasing interest rates
- Increased capital expenditure over the next five years will soften credit metrics
- FFO to grow with earnings enabling planned debt funded capex programme

Funding

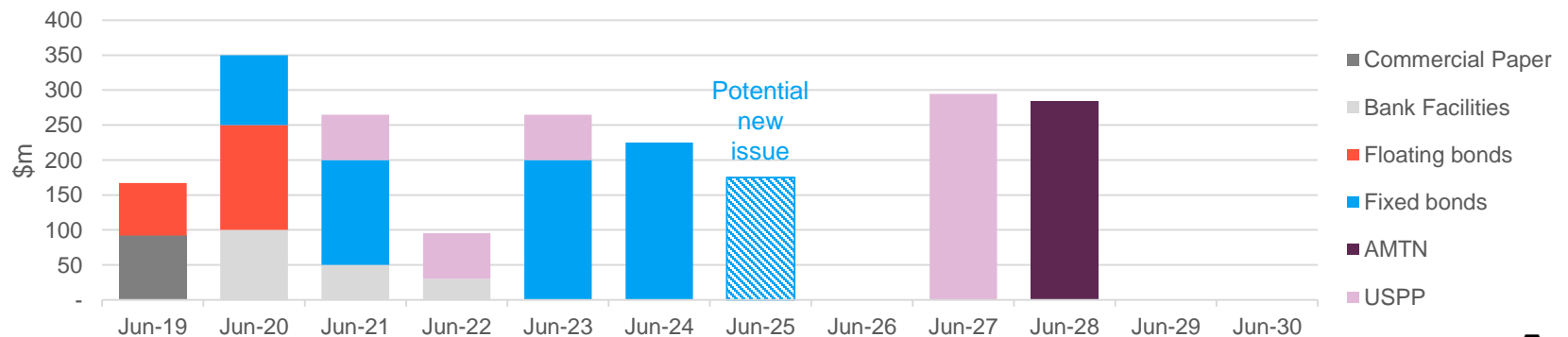
September NZDCM Presentation

- Reflecting increased infrastructure investment, offset by proceeds from the sale of North Queensland Airport, total borrowings at 30 June 2018 were flat with the prior year at \$2,060m
- Committed undrawn facility headroom of c.\$380m at 30 June 2018
- Committed to our A- credit rating
- Dividend policy of paying ~100% of underlying NPAT
- Dividend reinvestment plan remains in place for the FY18 final dividend and offered at a 2.5% discount to market price

Sources of funding



Debt maturity profile



[illegible]

Guidance

- Moderate underlying profit growth anticipated as we enter the second year of international aeronautical price reductions in the new FY18-22 pricing period and infrastructure investment continues at pace
- We expect underlying net profit after tax (excluding any fair value changes and other one-off items) in FY19 to be between \$265m and \$275m
- We expect total capital expenditure in FY19 of between \$450m and \$550m
- This guidance is subject to any material adverse events, significant one-off expenses, non-cash fair value changes to property and any deterioration due to global market conditions or other unforeseeable circumstances



[illegible][illegible]

Reference material and further details

September NZDCM Presentation

Reference material

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

Debt investor inquiries

Campbell De Morgan, Treasury Specialist

DDI: +64 9 255 9029

Campbell.demorgan@aucklandairport.co.nz

[illegible][illegible]

Board of directors

2018

September NZDCM Presentation



Sir Henry van der Heyden
Chair



Mark Binns
Director



Brett Godfrey
Director



Julia Hoare
Director



James Miller
Director



Justine Smyth
Director



Christine Spring
Director



Dr Patrick Strange
Director

Significant land holdings

2018 September NZDCM Presentation

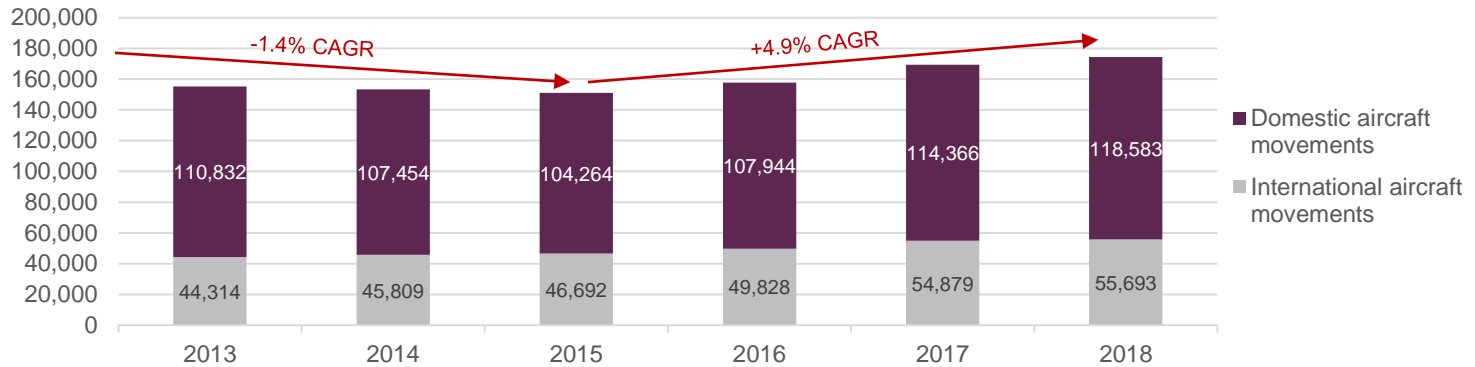


- Auckland Airport owns approximately 1,500 hectares of freehold land (250 hectares available for investment property development, bounded by the blue line and sea shore)
- Vacant land enables staged and affordable expansion of aeronautical infrastructure as required and ongoing rental income growth

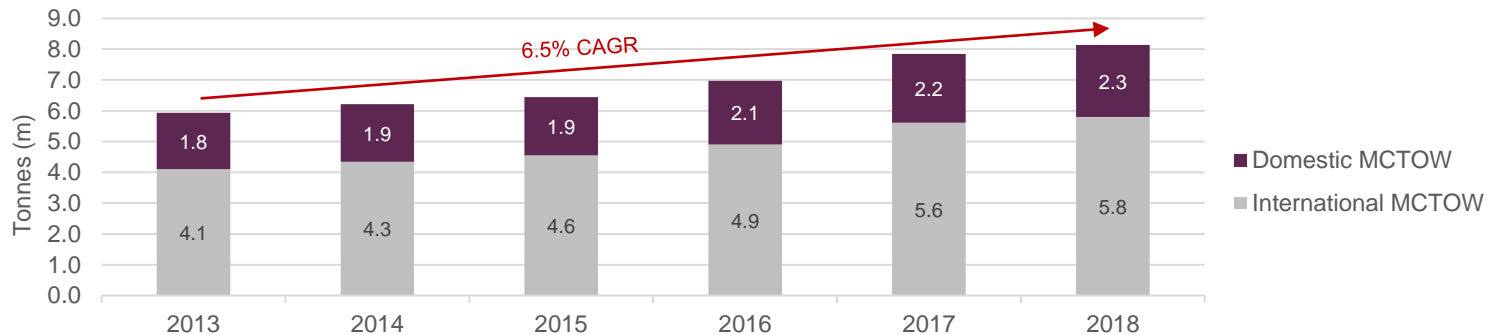
Runway movements growing

September NZDCM Presentation

Aircraft movements



MCTOW



- Increased connectivity to new and existing destinations reversed a 7 year decline in total aircraft movements from FY16
- International MCTOW up 14.2% as an increasing number of long haul destinations resulted in a higher proportion of larger, heavier aircraft
- Domestic MCTOW continues to benefit from increased proportion of A320s

Underlying profit reconciliation

2018 September NZDCM Presentation

For the year ended 30 June	2018			2017		
	Reported profit \$m	Adjustments \$m	Underlying profit \$m	Reported profit \$m	Adjustments \$m	Underlying profit \$m
EBITDAFI	506.4	-	506.4	473.1	-	473.1
Share of profits of associates	16.7	-	16.7	19.4	(4.5)	14.9
Gain on sale of associate	297.4	(297.4)	-	-	-	-
Derivative fair value movement	(0.7)	0.7	-	2.5	(2.5)	-
Investment property revaluation	152.2	(152.2)	-	91.9	(91.9)	-
Property, plant and equipment revaluation	-	-	-	-	-	-
Depreciation	(88.9)	-	(88.9)	(77.9)	-	(77.9)
Interest expense and other finance costs	(77.2)	-	(77.2)	(72.8)	-	(72.8)
Taxation expense	(155.8)	61.9	(93.9)	(103.3)	13.8	(89.5)
Profit after tax	650.1	(387.0)	263.1	332.9	(85.1)	247.8

The following adjustments have been made to show underlying profit after tax for the 12-month periods ended 30 June 2018 and 30 June 2017:

- We have reversed out the gain arising from the sale of our investment in North Queensland Airports. This sale was a one-off transaction that does not reflect normal business activities
- We have reversed out the impact of revaluations of investment property in 2018 and 2017. An investor should monitor changes in investment property over time as a measure of growing value. However, a change in one particular year is too short to measure long-term performance. Changes between years can be volatile and, consequently, will impact comparisons. Finally, the revaluation is unrealised and, therefore, is not considered when determining dividends in accordance with the dividend policy. None of the property, plant and equipment revaluation in 2018 affected reported profit. Therefore, no underlying profit adjustment was required in 2018, nor in 2017 in which there was no property, plant and equipment revaluation
- We have reversed out the impact of derivative fair value movements. These are unrealised and relate to basis swaps that do not qualify for hedge accounting as well as the ineffective valuation movement in other derivatives. The group holds its derivatives to maturity so any fair value movements are expected to reverse out over their remaining lives. Further information is included in note 18.2 of the financial statements
- In addition, to be consistent, we have adjusted the revaluations of investment property and financial derivatives that are contained within the share of profit of associates in 2018 and 2017
- We have also reversed the taxation impacts of the above movements in both the 2018 and 2017 financial years

Important Notice and Glossary

2018 September NZDCM Presentation

Disclaimer

This presentation is for preliminary information purposes only and is not an offer to sell or the solicitation of any offer to purchase or subscribe for any financial products and no part of it shall form the basis of or be relied upon in connection with any contract or commitment whatsoever. The information in this document is given in good faith and has been obtained from sources believed to be reliable and accurate at the date of preparation, but its accuracy, correctness and completeness cannot be guaranteed.

All of the data provided in this document is derived from publicly available information in relation to Auckland Airport (including the annual report of Auckland Airport for its financial year ended 30 June 2018), unless otherwise indicated.

Any internet site addresses provided in this presentation are for reference only and, except as expressly stated otherwise, the content of any such internet site is not incorporated by reference into, and does not form part of, this presentation.

This presentation may contain forward looking statements with respect to the financial condition, results of operations and business, and business strategy, of Auckland Airport. Auckland Airport gives no assurance that the assumptions upon which Auckland Airport based its forward looking statements on will be correct, or that its business and operations will not be affected in any substantial manner by other factors not currently foreseeable by Auckland Airport or beyond its control. Accordingly, Auckland Airport can make no assurance that the forward looking statements will be realised.

All currency amounts are in New Zealand dollars unless otherwise stated and figures, including percentage movements, are subject to rounding.

This presentation is dated 24 September 2018.

Glossary

ARPS	Average revenue per parking space
ASQ	Airport service quality
CAA	Civil Aviation Authority of New Zealand
CAGR	Compound annual growth rate
EBITDAFI	Earnings before interest, taxation, depreciation, fair value adjustments and investments in associates
IATA	International Air Transport Association
MCTOW	Maximum certified take off weight
NPAT	Net profit after tax
PAX	Passenger
PSE3	Price setting event 3 (FY18-FY22)
PSR	Passenger spend rate
WALT	Weighted average lease term