

Market Release | 6 November 2015

Investor Day Presentation

Attached is the presentation that will be delivered at Auckland Airport's Investor Day 2015 in Auckland today.

Ends

For further information, please contact:

Investors:

Campbell De Morgan

+64 27 478 3243

campbell.demorgan@aucklandairport.co.nz

Media:

Simon Lambourne

+64 27 477 6120

simon.lambourne@aucklandairport.co.nz



Delivering for the future

Investor Day – 6 November 2015

Agenda

9:00 a.m.	Phil Neutze	Acting Chief Financial Officer	Welcome
9:05 a.m.	Adrian Littlewood	Chief Executive	Introduction and strategy update
9:20 a.m.	Norris Carter	GM, Aeronautical Commercial	Growing travel markets
10:05 a.m.	Judy Nicholl	GM, Aeronautical Operations	Operational excellence
10:35 a.m.	Morning tea		
11:00 a.m.	Richard Barker	GM, Retail and Commercial	The future for retail and transport
11:30 a.m.	Jason Delamore	GM, Marketing and Communications	Strengthening customer relationships
12:00 p.m.	Graham Matthews	GM, Airport Development and Delivery	Investing for future growth
12:30 p.m.	Lunch		
1:15 p.m.	Mark Thomson	GM, Property	Momentum in property
2:00 p.m.	Philip Neutze	Acting Chief Financial Officer	Funding and regulatory
2:30 p.m.	Property tour		
3:30 p.m.	FINISH		



Strategy Update

Adrian Littlewood
Chief Executive

Investor Day: 6 November 2015



FASTER



HIGHER



STRONGER



GROW
TRAVEL
MARKETS

STRENGTHEN
OUR
CONSUMER
BUSINESS

BE FAST,
EFFICIENT
& EFFECTIVE

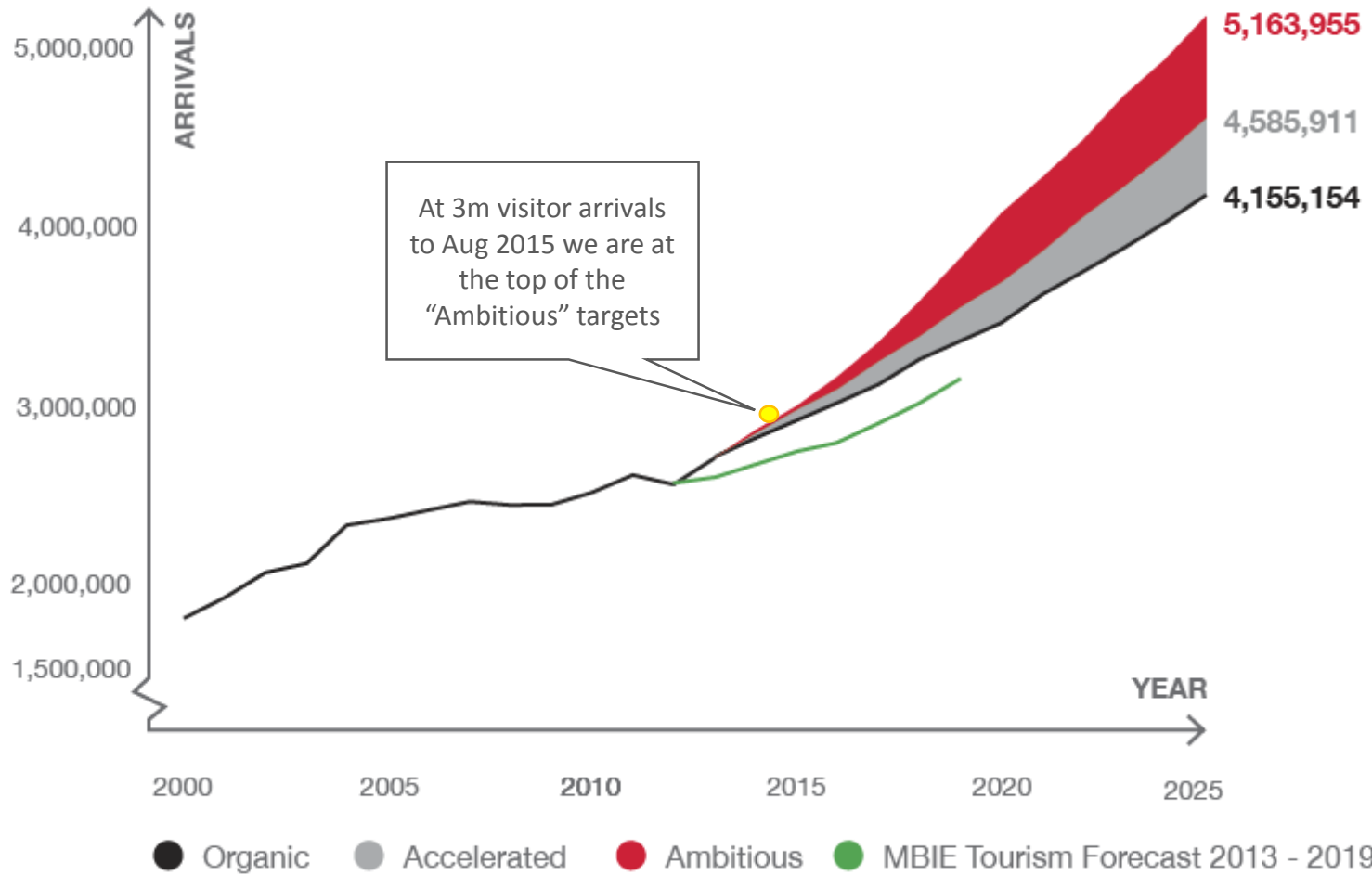
INVEST
FOR FUTURE
GROWTH





GROW TRAVEL MARKETS

Potential visitor arrivals to New Zealand 2000 - 2025

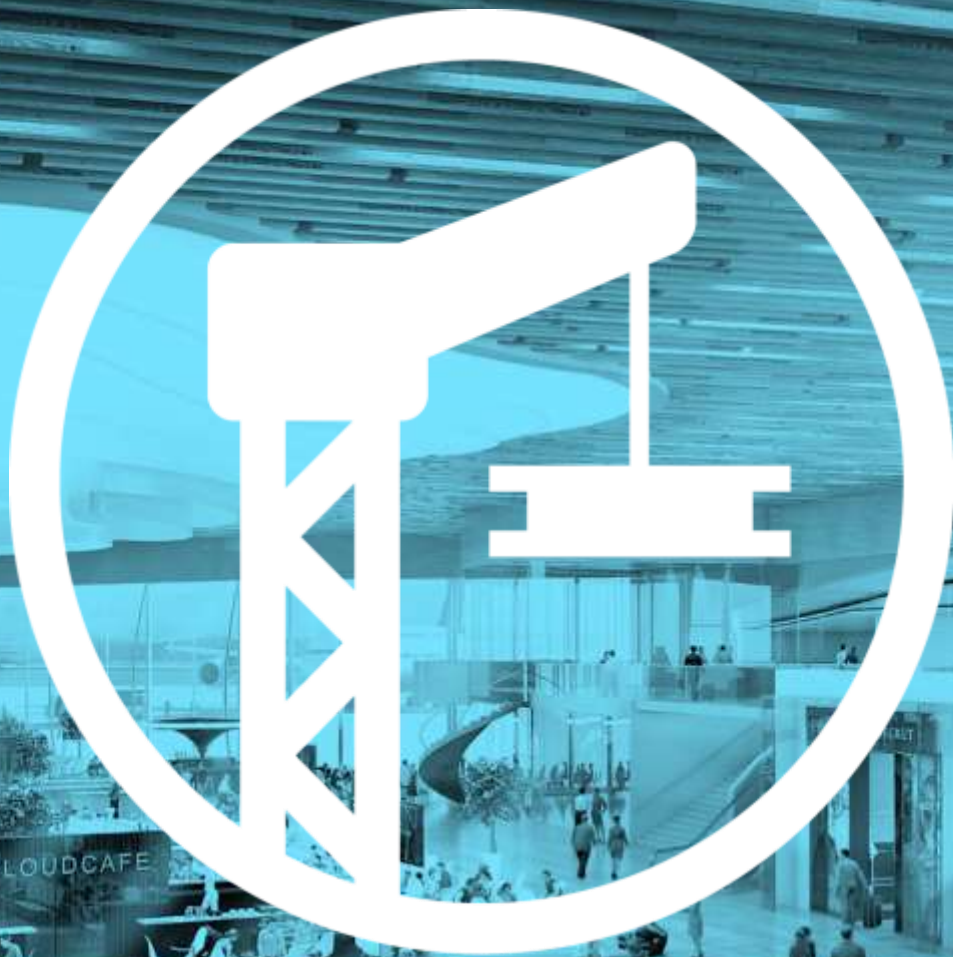




**STRENGTHEN OUR
CONSUMER BUSINESS**



**BE FAST, EFFICIENT
& EFFECTIVE**



**INVEST FOR
FUTURE GROWTH**



Double Chinese arrivals
to 400,000 by FY17



10 million international
passengers by FY18



20 million
total passengers
by 2020

Build property rent
to \$60m by FY17





Growing Travel Markets

Norris Carter
General Manager Aeronautical Commercial

Investor Day: 6 November 2015

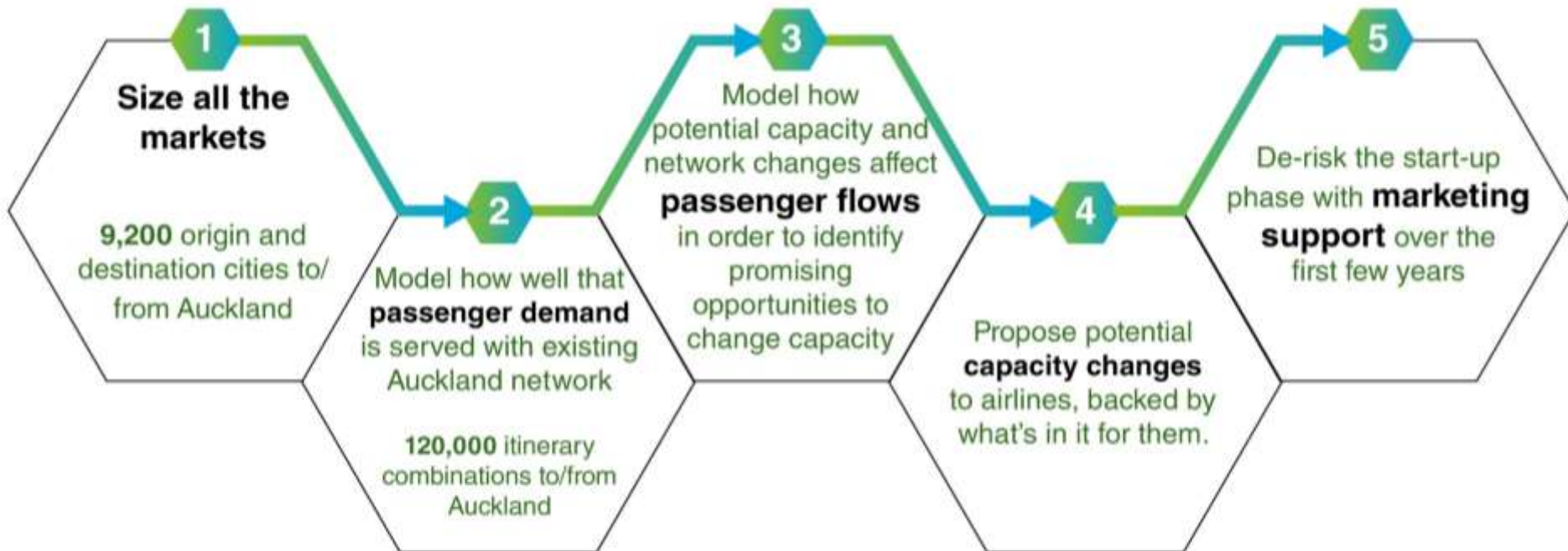
Strategic Framework

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

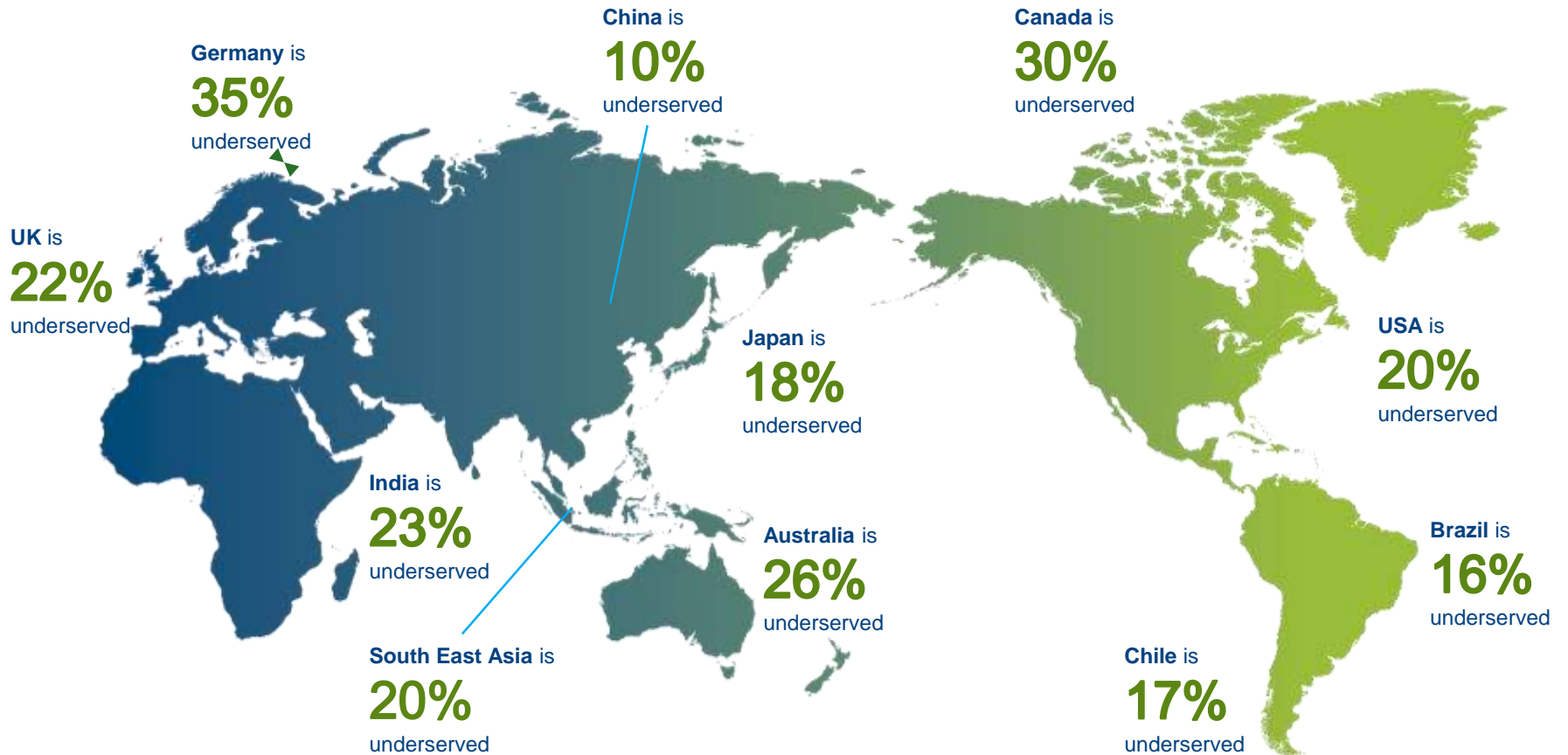


Growing air capacity

Airline network modelling tools are used to evaluate existing and new routes



Opportunities to grow on all routes



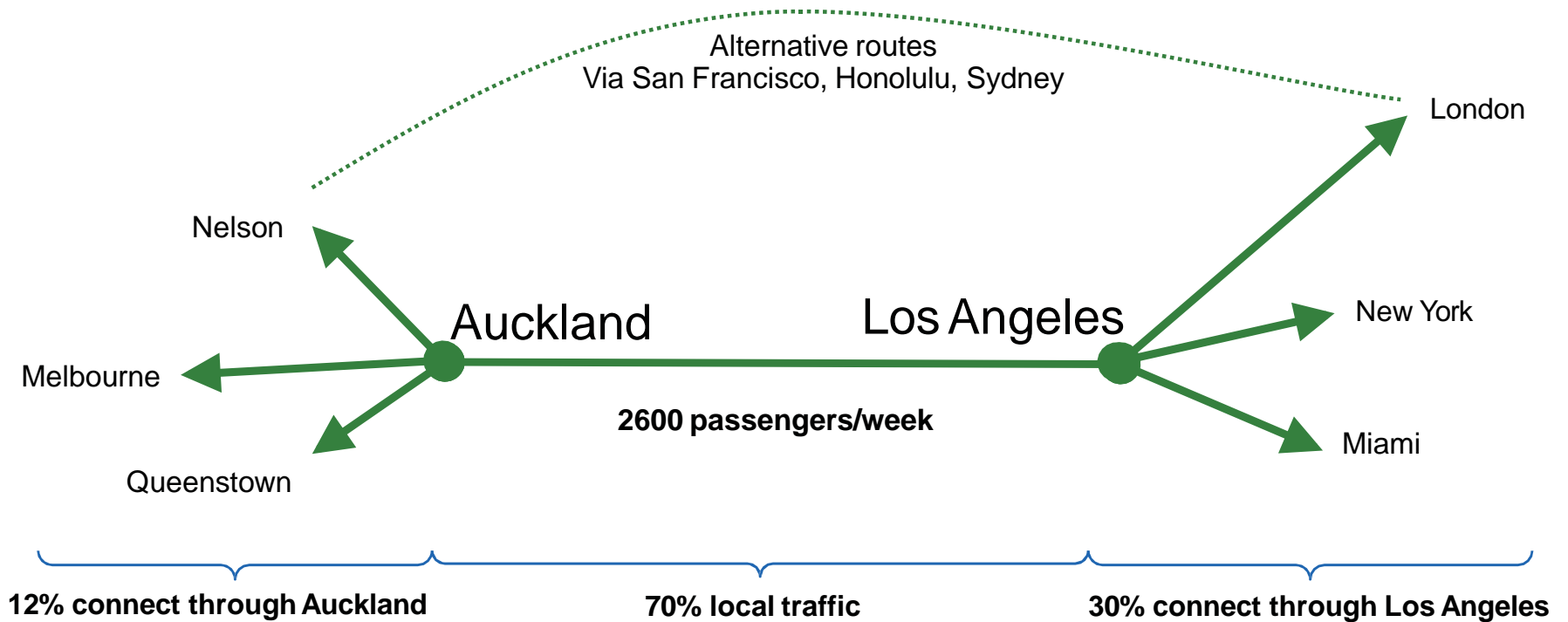
Segment view of airline routes

Illustrative



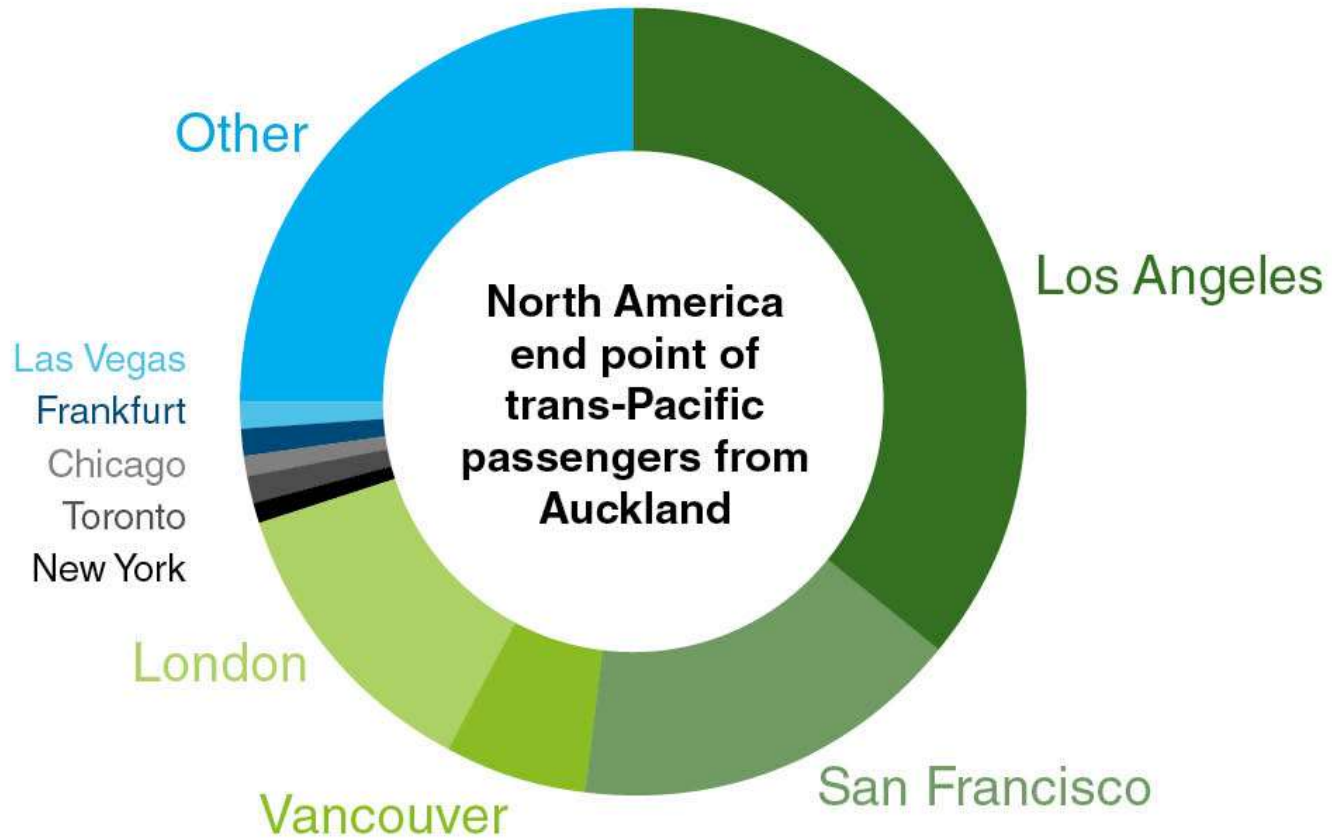
Dynamic network flow model

Illustrative



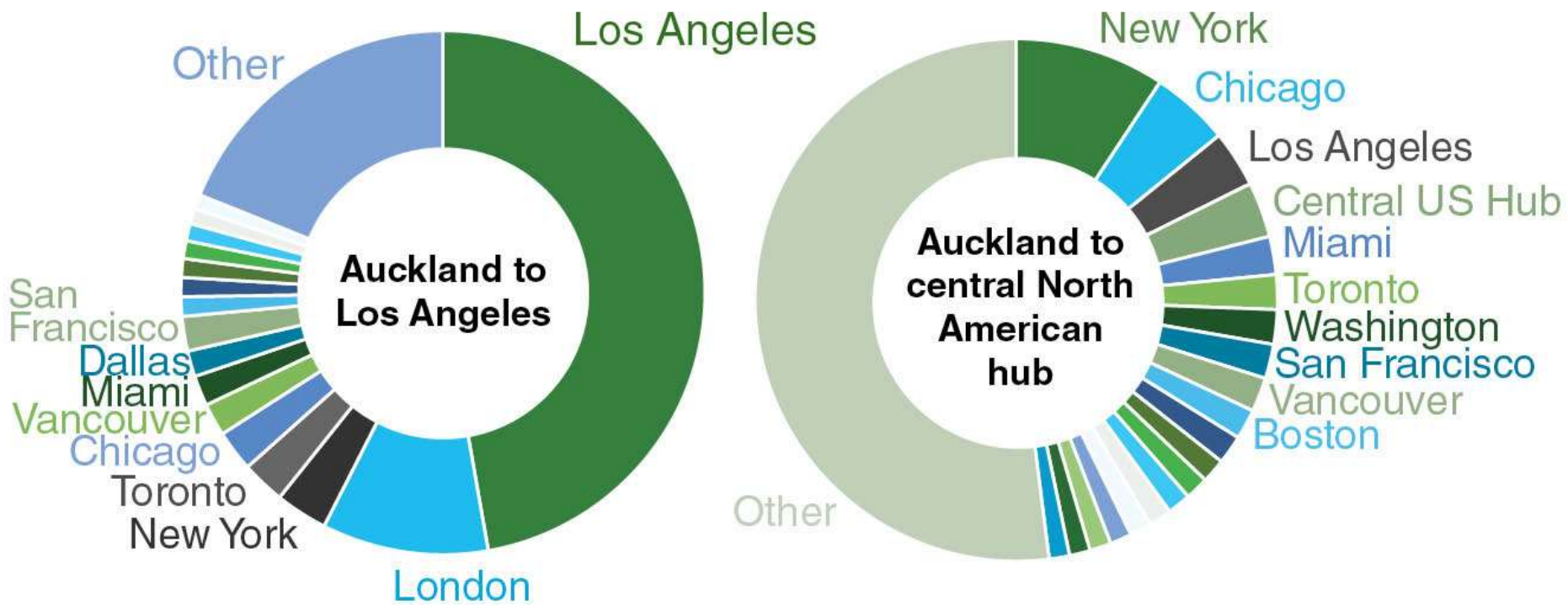
North American Traffic Flows

High proportion of West Coast passengers between Auckland and North America



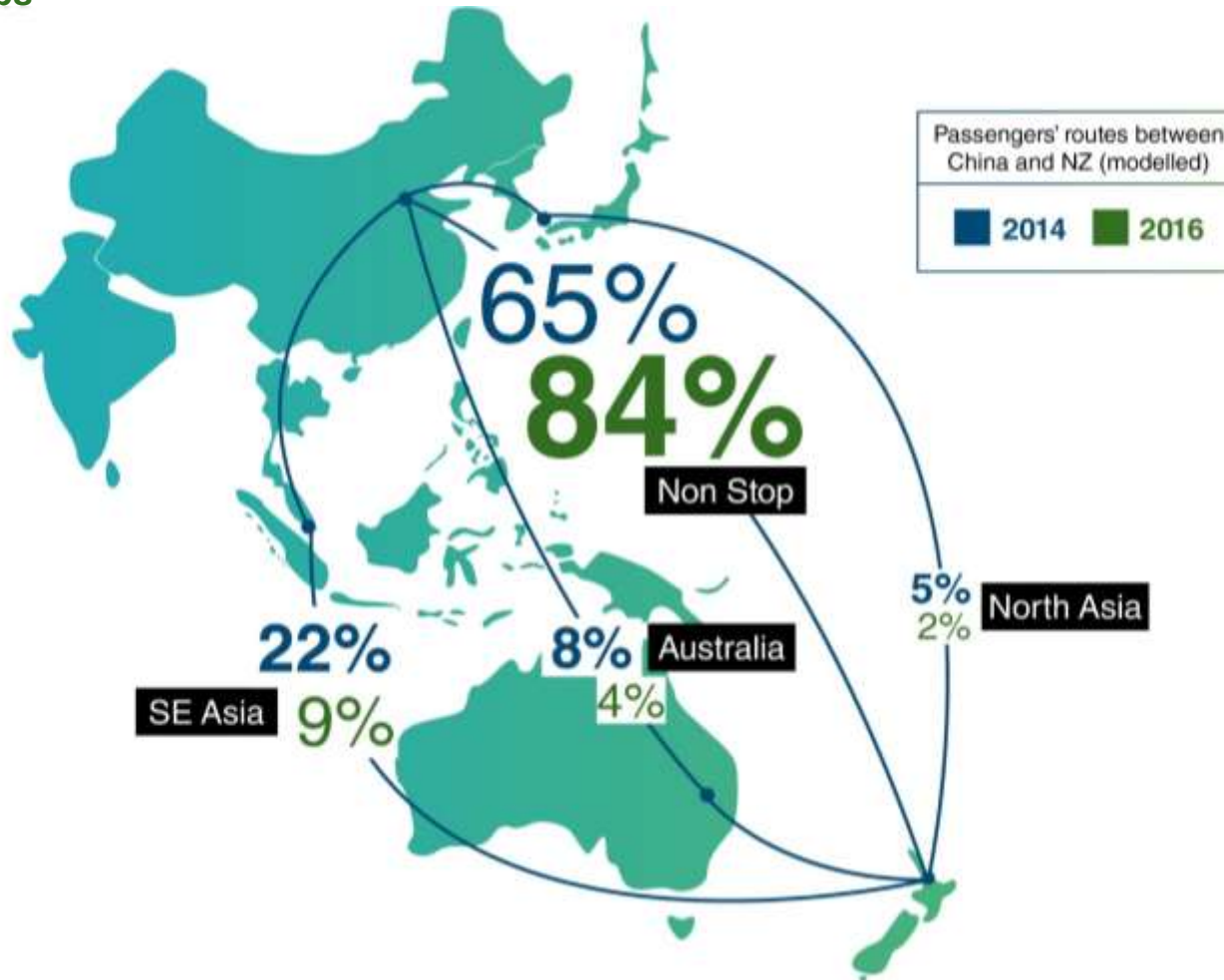
Opening eastern North America

Two flights to different cities would carry different passengers



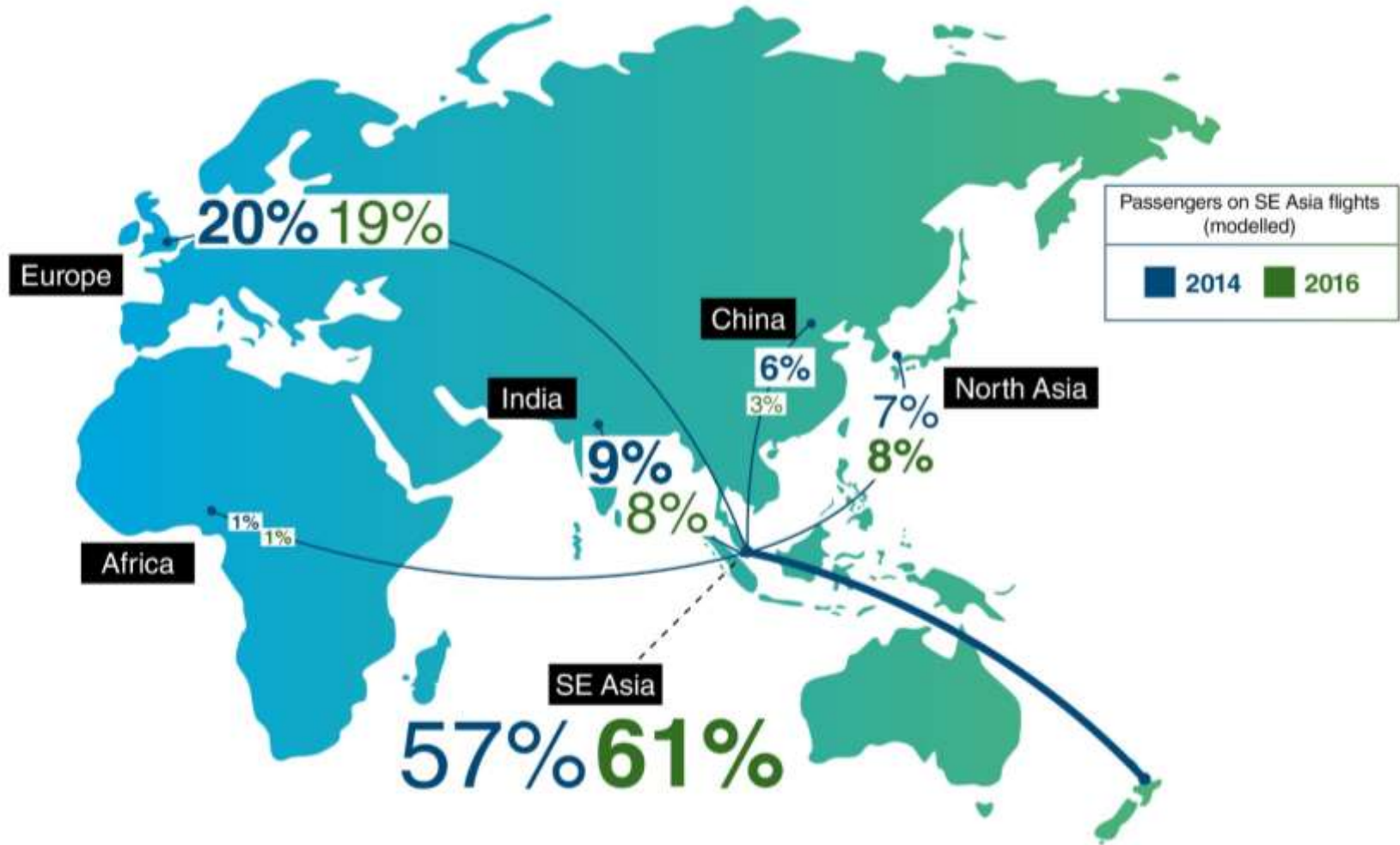
China Flows

Growth in non-stop flights to/from China provides increased seat capacity for Chinese inbound travel growth and also releases capacity to/from South East Asian hubs



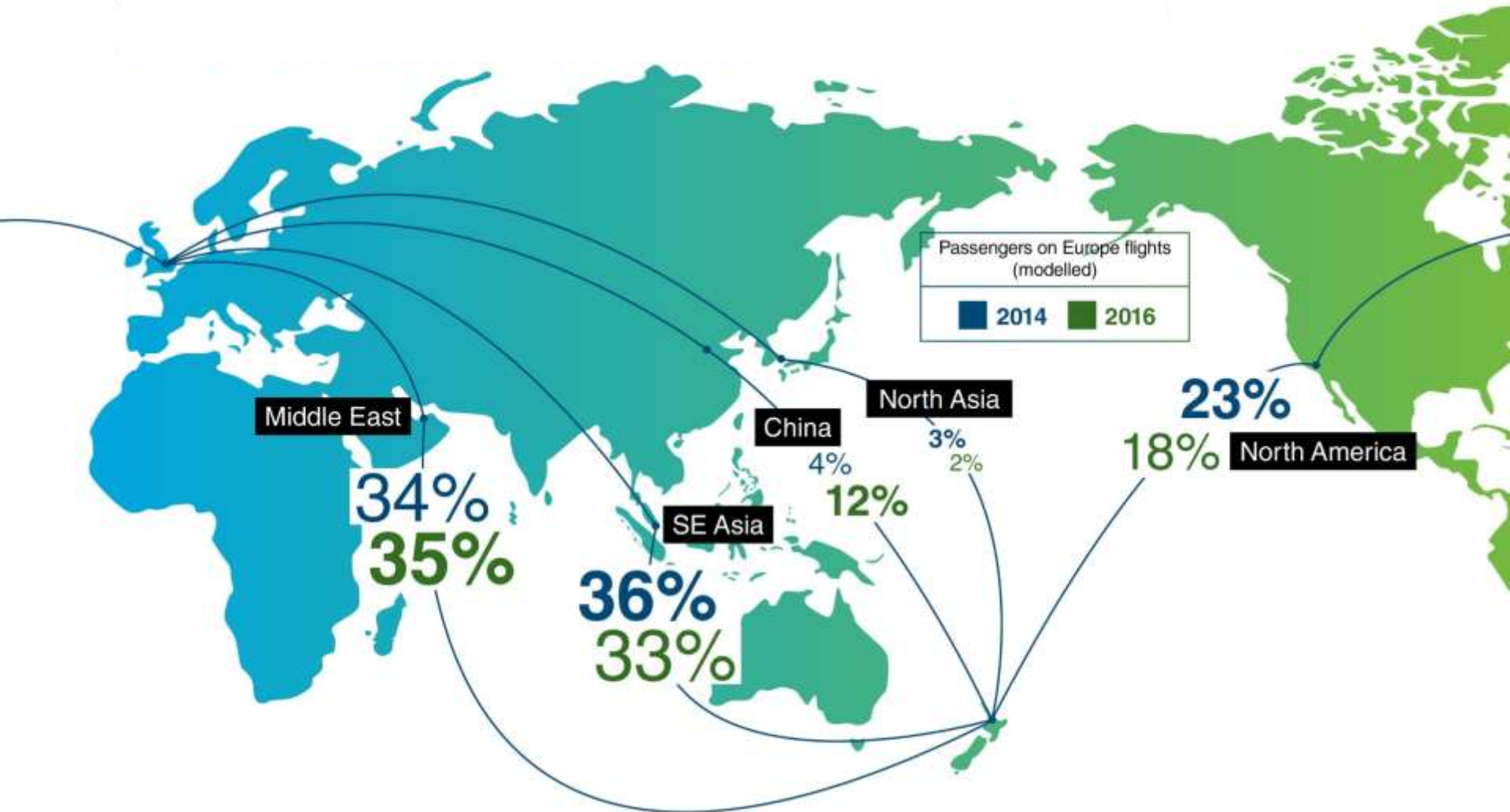
South East Asia and India

Growth in non-stop flights to/from China releases capacity to South East Asian hubs, enabling growth from South and East Asia



United Kingdom and Europe

Middle East capacity is increasingly important



Domestic Network

Domestic capacity growth supports international growth; 19% of international passenger traffic connects with the domestic network at Auckland



New airline capacity in 2015



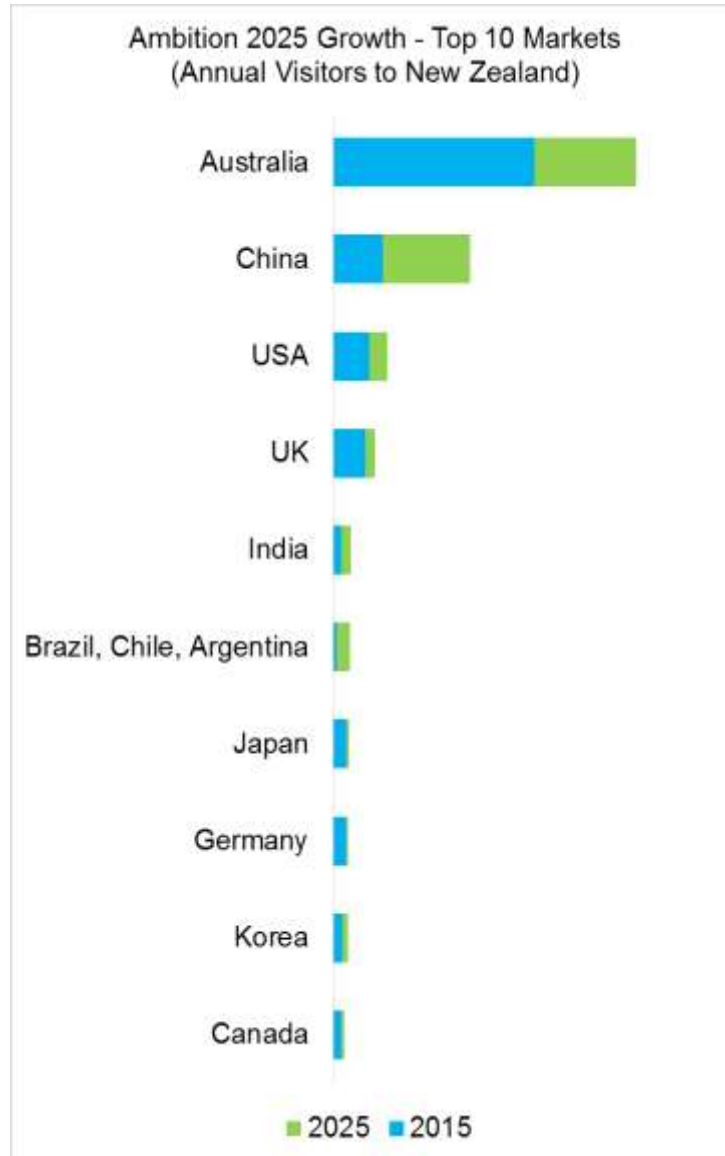
Singapore
Buenos Aires
Houston
Perth
Domestic



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



Top 10 NZ visitor markets 2015 to 2025



Four Seasons Five Senses

Tourism Partnerships



Tourism product development



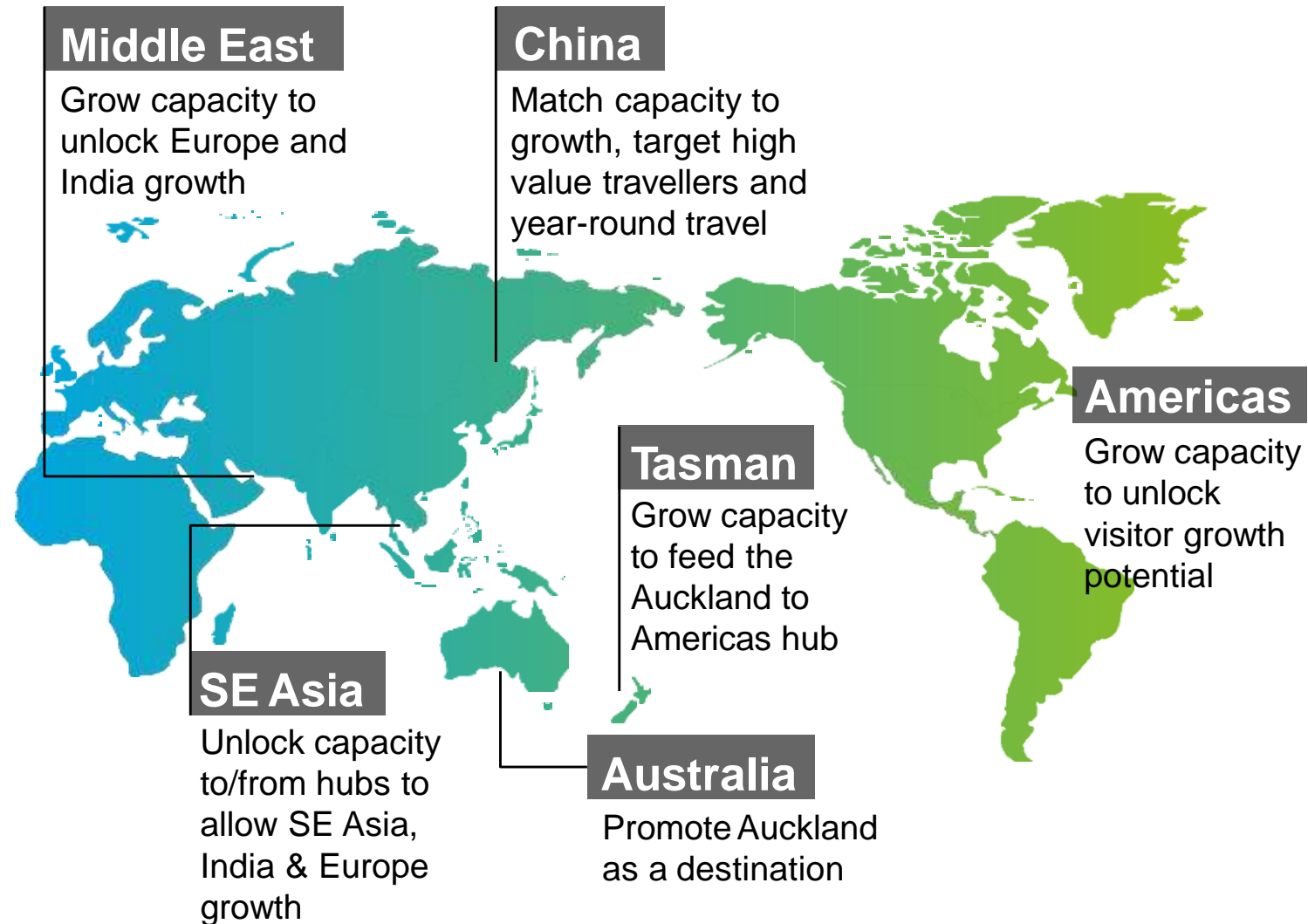
NGĀTI WHĀTUA ŌRĀKEI



您的新西兰旅行顾问，一起DIY您的完美假期！



Growing travel markets: summary





Operational Excellence

Judy Nicholl
General Manager Aeronautical Operations

Investor Day: 6 November 2015

Operational Excellence

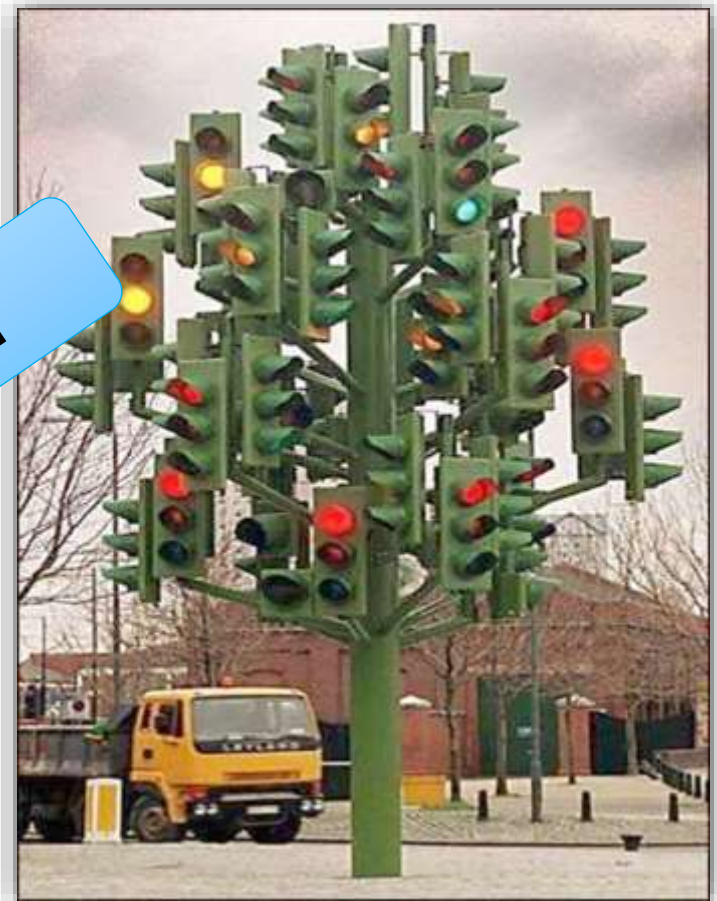


**Multi
stakeholder
environment**

**Nature of our
schedule and
location**

Pace of growth

From Silos to Structure



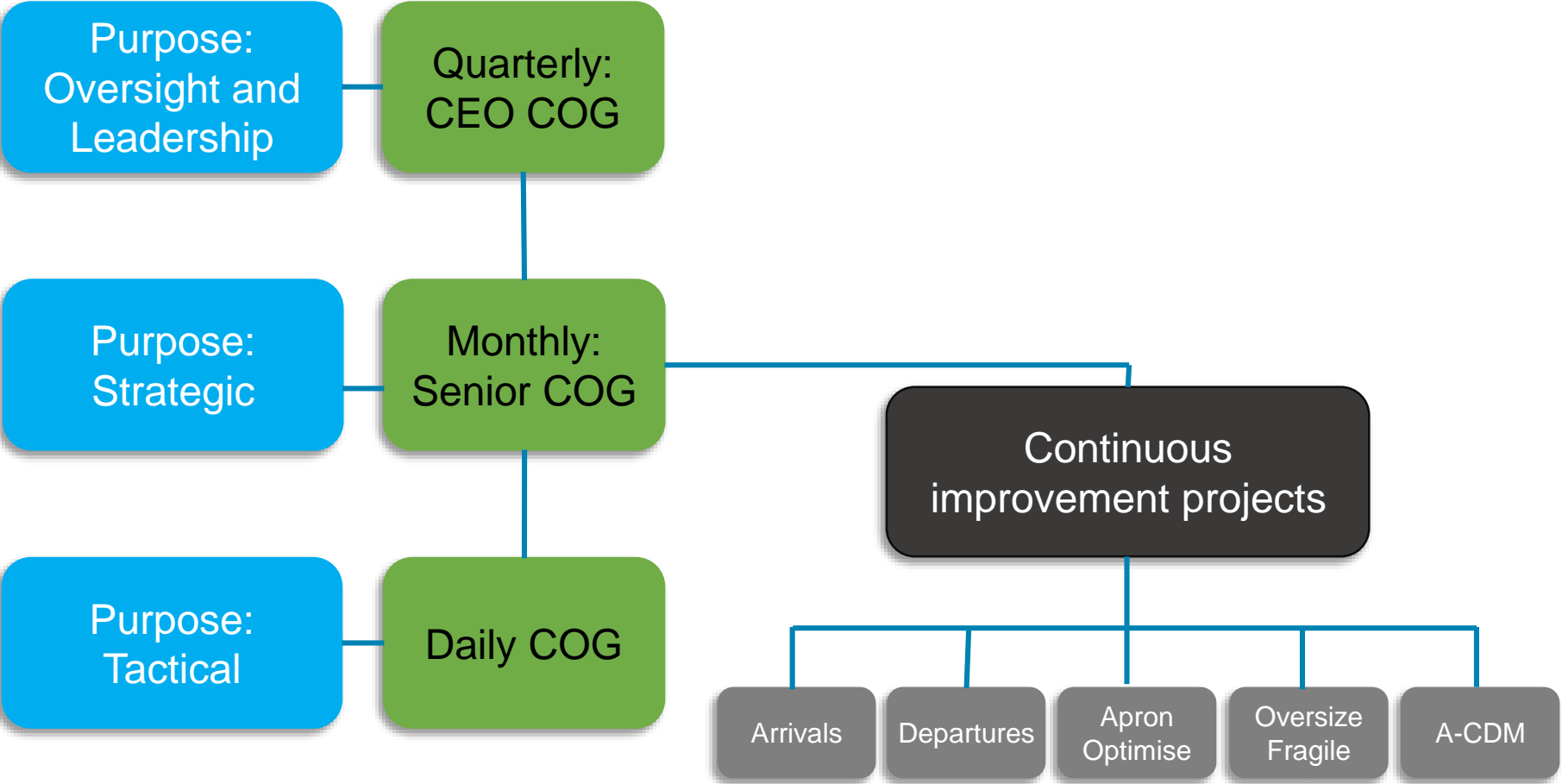
COG Vision

“We will work collaboratively to deliver a world leading customer experience while promoting growth for New Zealand, upholding safety and security and delivering efficient outcomes”

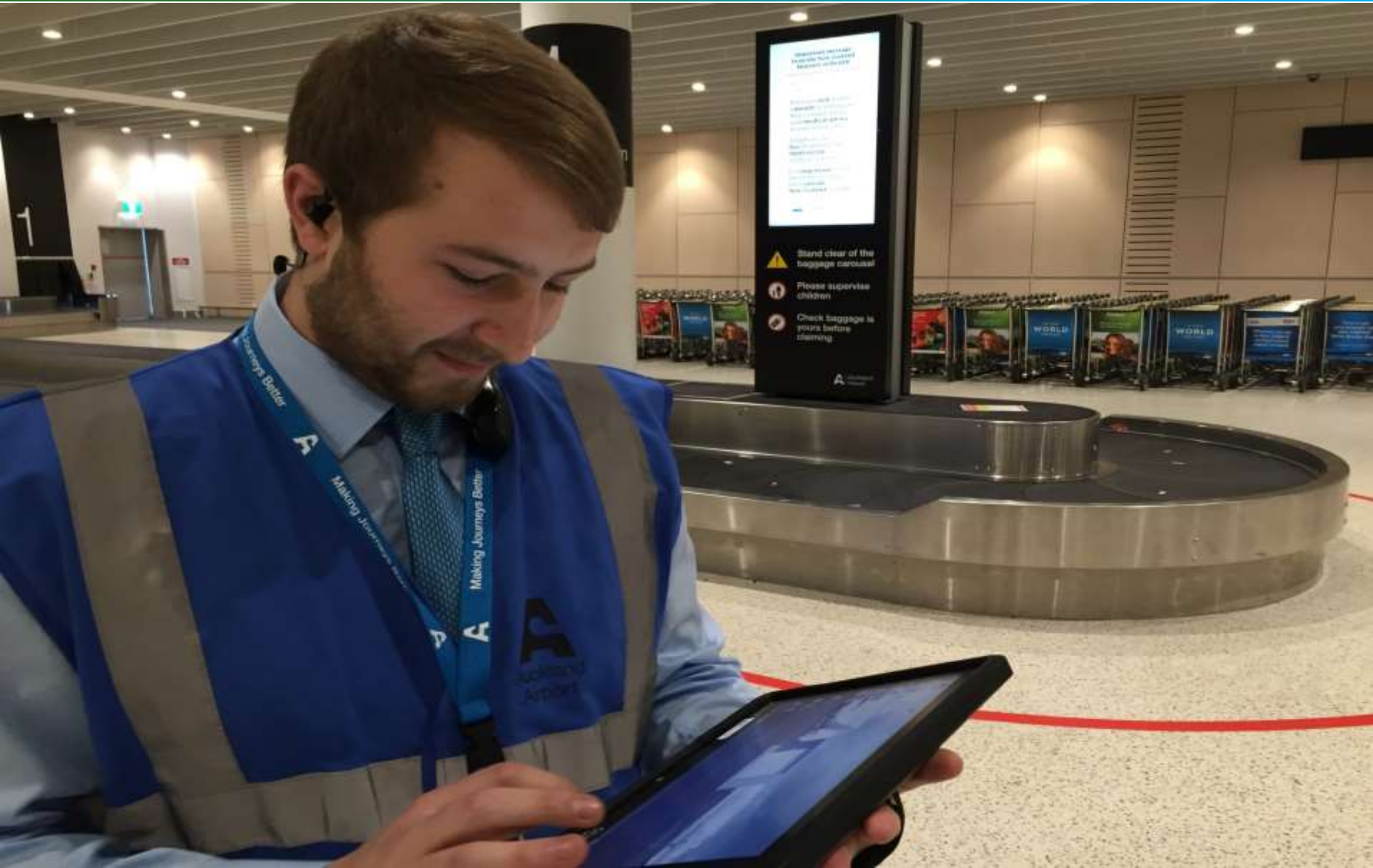
COG Metrics

1. Safety
2. On Time Performance (OTP)
3. Customer experience
4. Passenger processing times
5. Biosecurity risk

Structured Collaboration Collaborative Operations Group (COG)

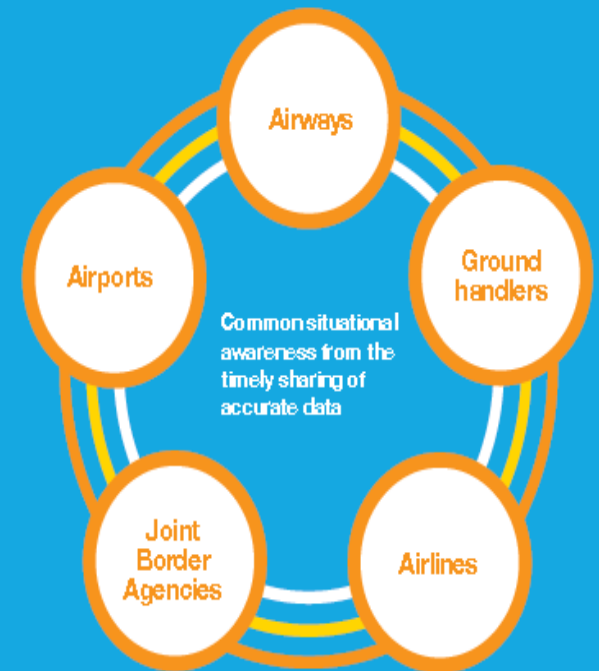


Airport Operating System (AOS)





For Airport CDM to succeed it relies on commitment from all parties including:



A-CDM Portal: one source of the truth



CDM PORTAL *Ground Handler*

NZAA - AKL Shiftcore - 10.21

8 Alerted | 1 On Approach | 0 Taxi In | 1 Mobilise/Departure | 0 Boarding | 0 Target Off-Block | 0 Off-Blocks | 2 Taxi Out

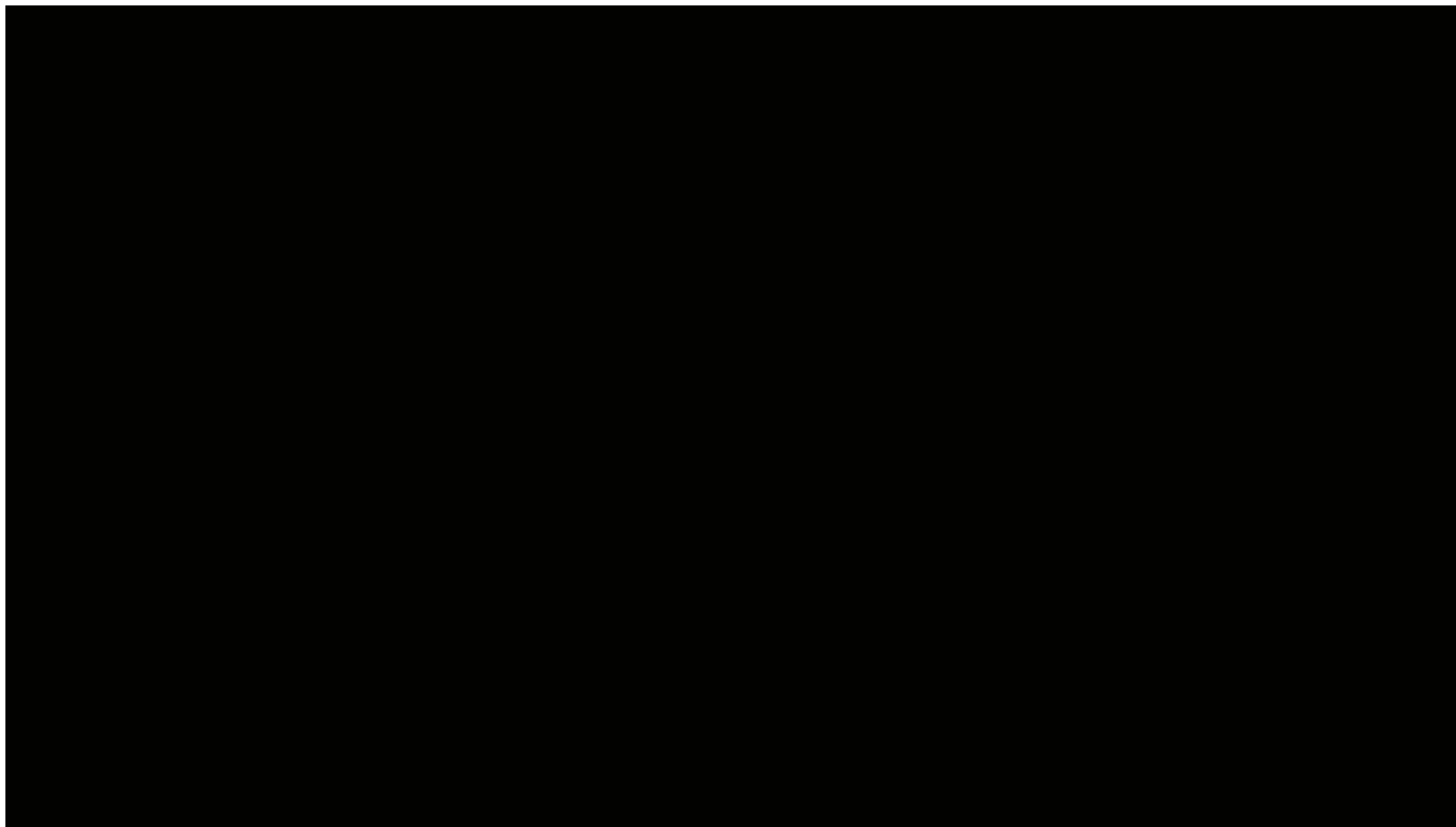
FLIGHT - STAND - GATE - CARRIER - GROUND HANDLER - ALERT - STATUS - SERVICE TYPE - AIRCRAFT TYPE - REGION: 2 SELECTED - FLIGHT TYPE -

MILESTONE - SORT BY: ARRIVAL/DEPARTURE -

Flight				Inbound		Turnaround				Outbound	
	Flight	Day	Stand	Take-Off	Landing	In-Blocks	Boarding	Off-Blocks	FIDS	Push	Take-Off
	NZ506 NZ515	20	33	08:19 ATOT	09:20 ALDT	09:24 AIBT	10:06 AEBT	10:11 AOBT	10:23 ETD	10:11 ASAT	10:20 ATOT
	NZ412 NZ639	20	30	08:51 ATOT	09:34 ALDT	09:38 AIBT	10:16 ESBT	10:14 AOBT	10:26 ETD	10:18 ASAT	10:25 CTOT
	NZ414 NZ509	20	31	09:25 ATOT	10:07 ALDT	10:10 AIBT	10:21 ESBT	10:40 TOBT	10:40 ETD	12:10 TSAT	10:55 CTOT
	SQ285 SQ286	20	15	01:27 ATOT	10:34 ELDT	10:40 EIBT	11:40 ESBT	12:10 EOBT	12:10 STD	10:40 TSAT	12:25 ETOT
	NZ420 NZ525	20	31	09:54 ATOT	10:39 ELDT	10:43 EIBT*	10:58 ESBT*	11:20 EOBT*	11:20 STD	11:20 TSAT	11:30 CTOT
	NZ508 NZ421	20	29	08:57 ATOT	09:56 ALDT	10:01 AIBT	10:23 ESBT	10:45 TOBT	10:45 STD	10:45 TSAT	10:55 CTOT
	NZ134 NZ010	19 20	7 9	20:53 ATOT	23:31 ALDT	09:55 ECGT	10:21 ESBT	10:55 TOBT	10:55 STD	10:55 TSAT	11:08 ETOT
	NZ514 NZ427	20	30	09:55 ATOT	10:57 ELDT	11:01 EIBT	11:23 ESBT	11:45 EOBT	11:45 STD	11:45 TSAT	11:55 CTOT

Displaying rows 1 to 10 of 41

Put together, A-CDM works like this.....



Customer Service



International Departures					12:24
Flight	To/Via	Depart	Status	Zone	
	CZ9999 广州	13:05	开始登机		
	QF2345 서울인천	13:10	Boarding	D	
	CX1234 香港	16:05	已出发		
	NZ3333 東京	16:05	Go To Gate	A	
	SQ111 東京	17:29			
	SQ222 서울인천	17:35			
	SQ333 北京	17:37			



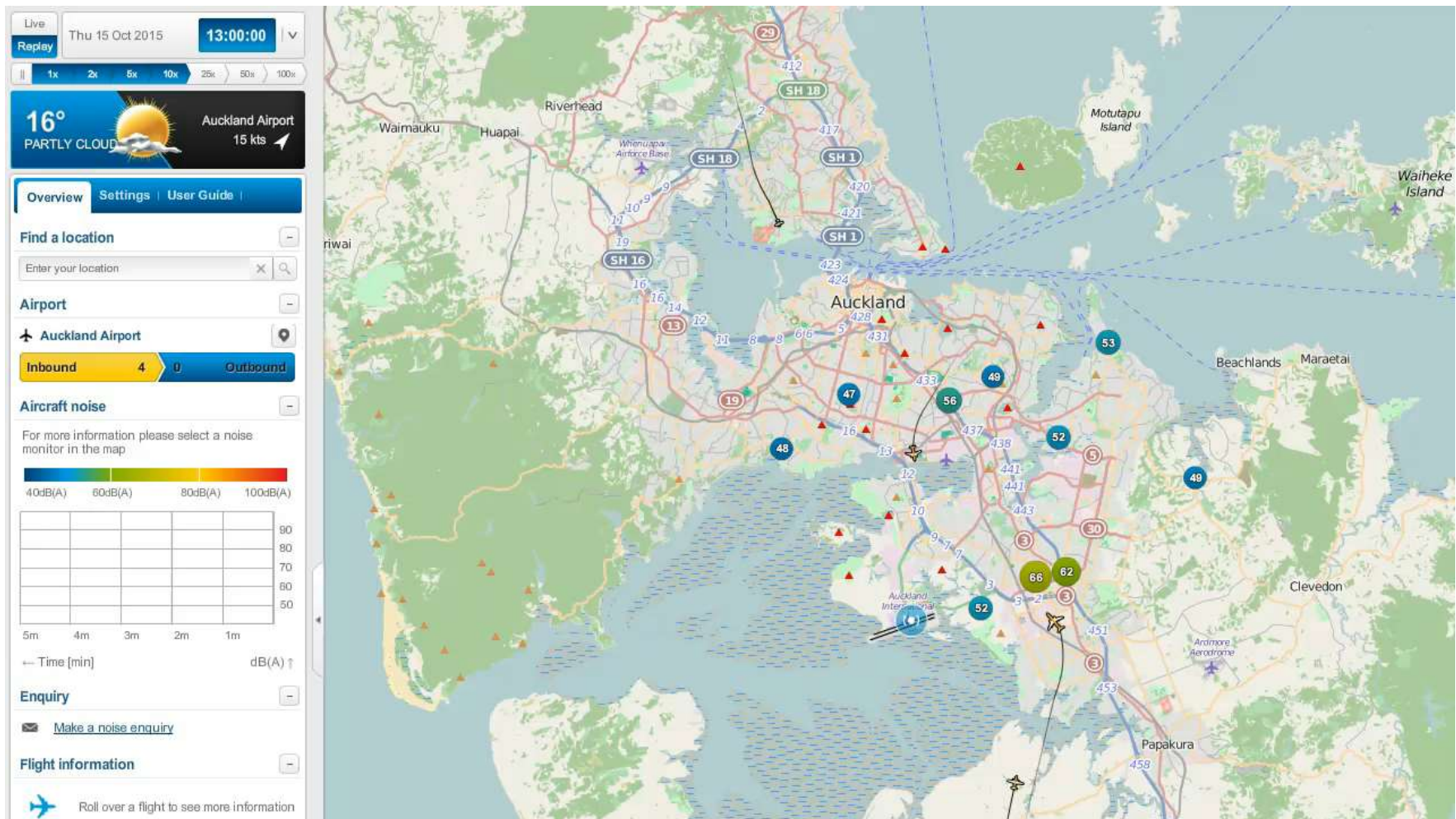
Airfield Efficiency and Safety



Operational Compliance



Being a good neighbour



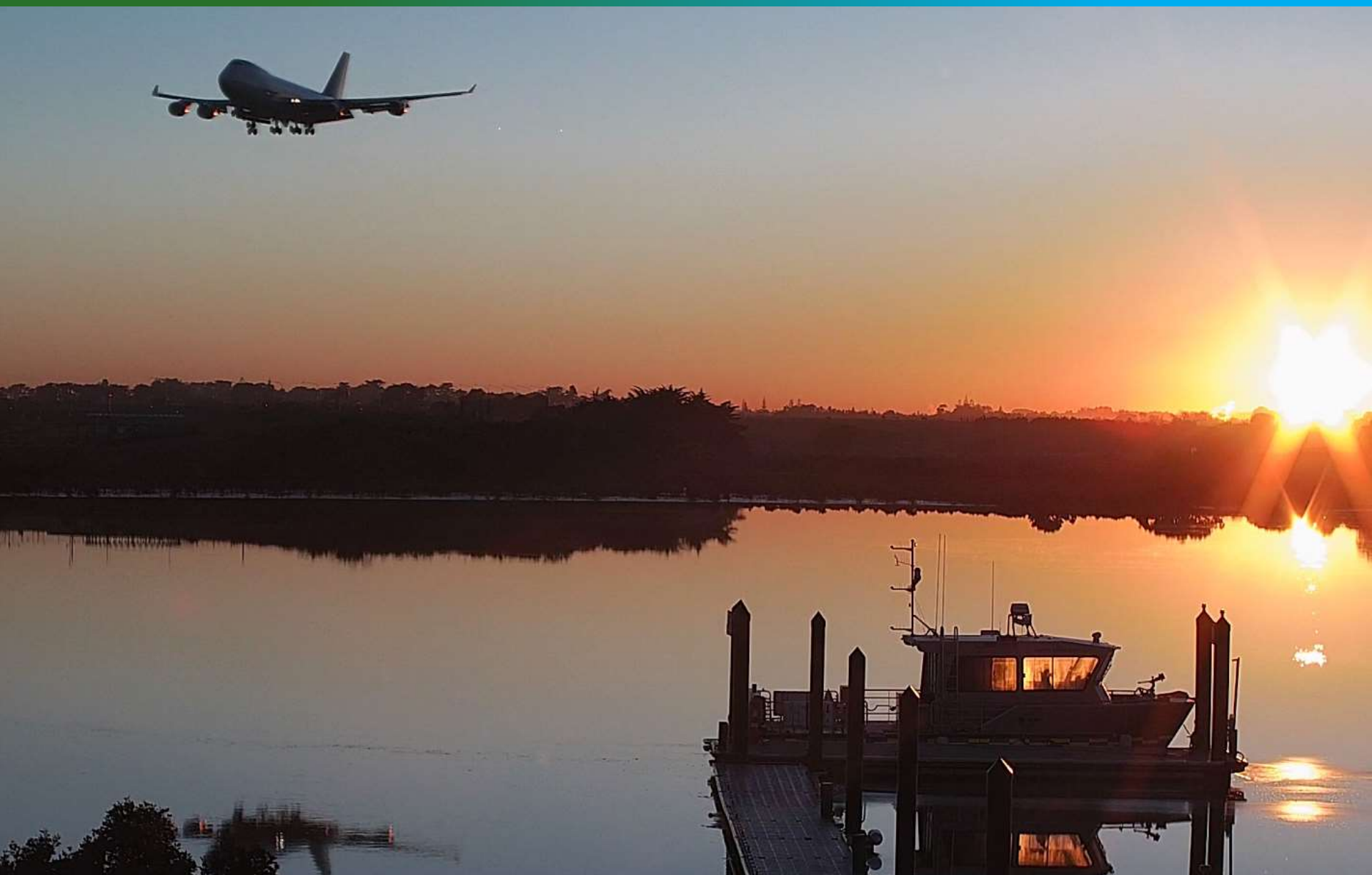
- Casper: Noise Management System
- Linking communities and aviation through technology

Future operating mode



Future Vision: Joint Operations Centre (JOC)





Retail & Commercial



Retail & Commercial focus areas at the last investor day:

- Preserve existing strengths
- Extend customer reach
- Higher customer engagement
- Smart capacity add-ons

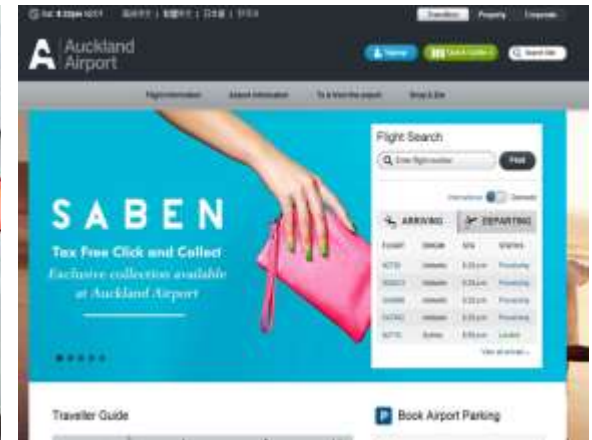


Drive the core business hard



Secure future growth

Major achievements in the last 2 years (Retail)



Utilisation of space

Upgrades and enhancements

Online developments

Major achievements in the last 2 years (Transport)



NEW Auckland Airport Valet parking at the International Terminal

Walk from International Valet park 2.71 m

Book now and receive an extra day FREE

- 2 days gets 3
- 6 days gets 7

[BOOK NOW >](#)



IDEAS | DRIVING BETTER REVENUE

Revenue Performance Insights

Cancel

www.lord.com



Valet Parking



Park & Ride Expansion



Online Optimisation

Major achievements in the last 2 years (Advertising, Passenger Products)

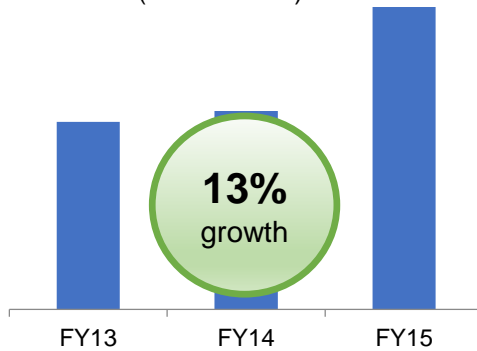


Advertising tender

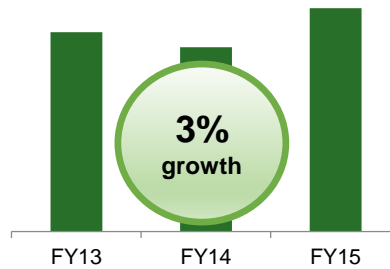
Emperor lounge & concierge services

Delivering the results (Retail)

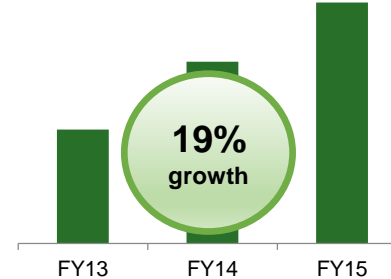
ITB Retail Sales FY13 - FY15
(excl tobacco)



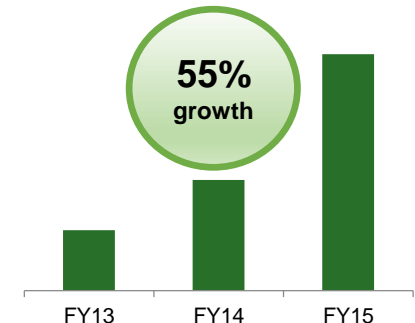
Duty Free Sales FY13 - FY15
(excl tobacco)



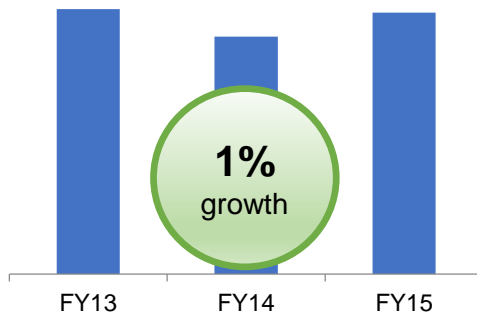
ITB F&B Sales FY13 - FY15



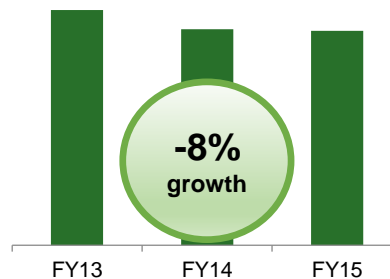
ITB Specialty Sales FY13 - FY15



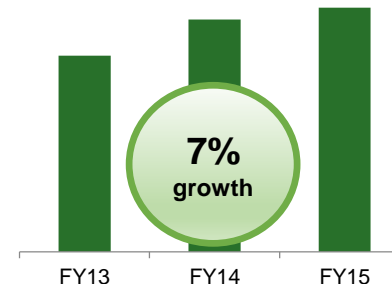
ITB Retail PSR FY13 - FY15
(excl tobacco)



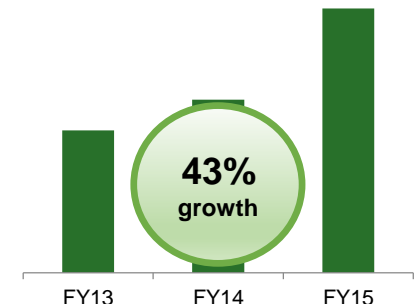
Duty Free PSR FY13 - FY15
(excl tobacco)



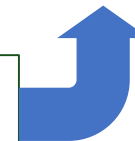
ITB F&B PSR FY13 - FY15



ITB Specialty PSR FY13 - FY15

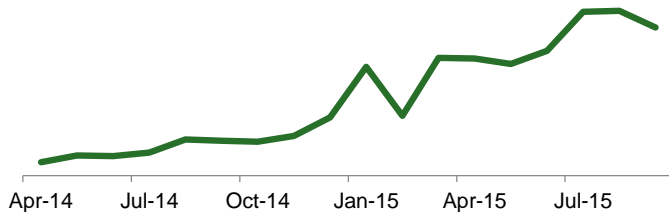


Strong performance in the categories where investment has been made – new concepts, additional space



Delivering the results (Transport)

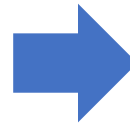
Valet Revenue per month



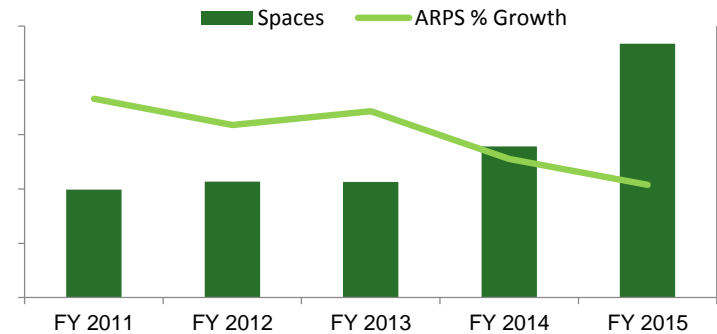
Strong growth in Valet with revenue in the last 12 months exceeding \$2m

Added substantial capacity to our public car parks

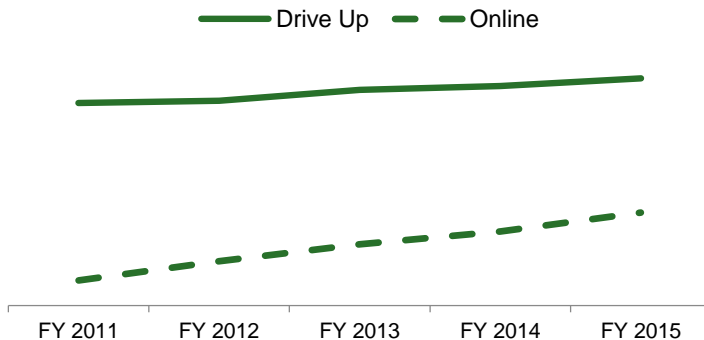
NB: increase in space reduces ARPS in the short-term as additional capacity will not be fully utilised



Spaces & ARPS % Growth YoY



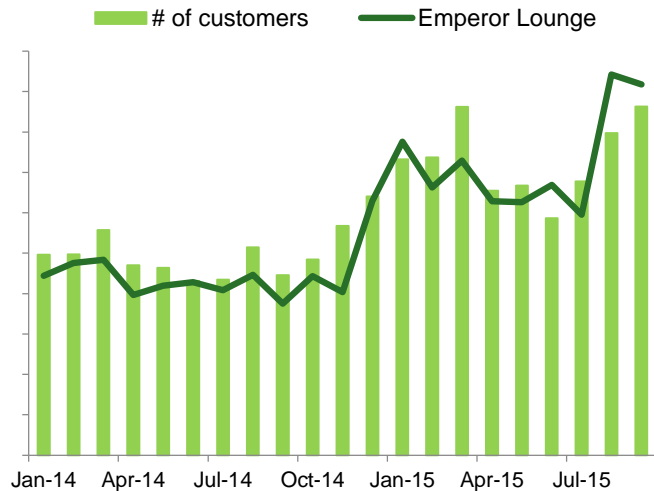
Carpark Revenue by Channel



Online now drives 30% of car parking revenue and we've invested in new revenue management systems to optimise this channel

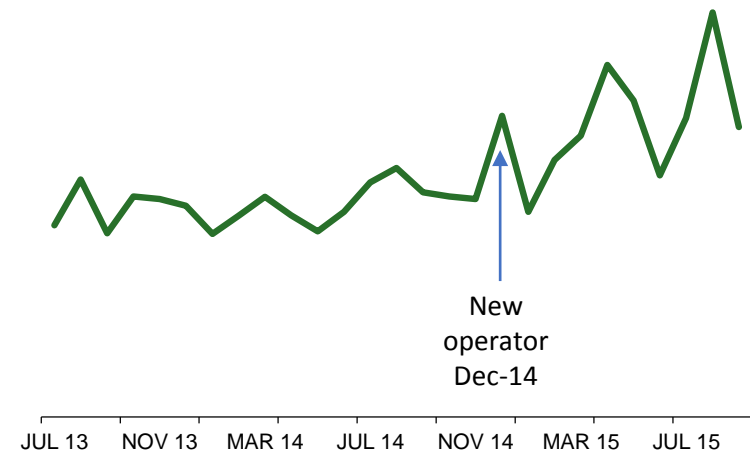
Delivering the results (Emperor Lounge, Advertising)

Emperor Lounge Revenue and Customers



Revenue from our Emperor Lounge has grown substantially with commercial agreements with 8 airlines now in place and strong growth in passengers using the lounge every month

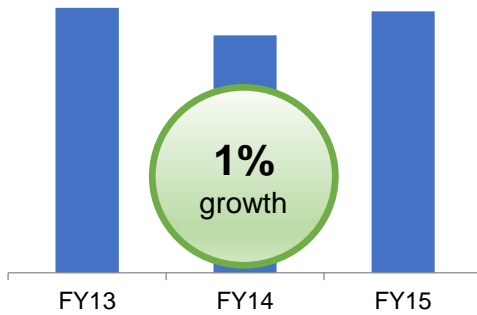
Advertising Sales



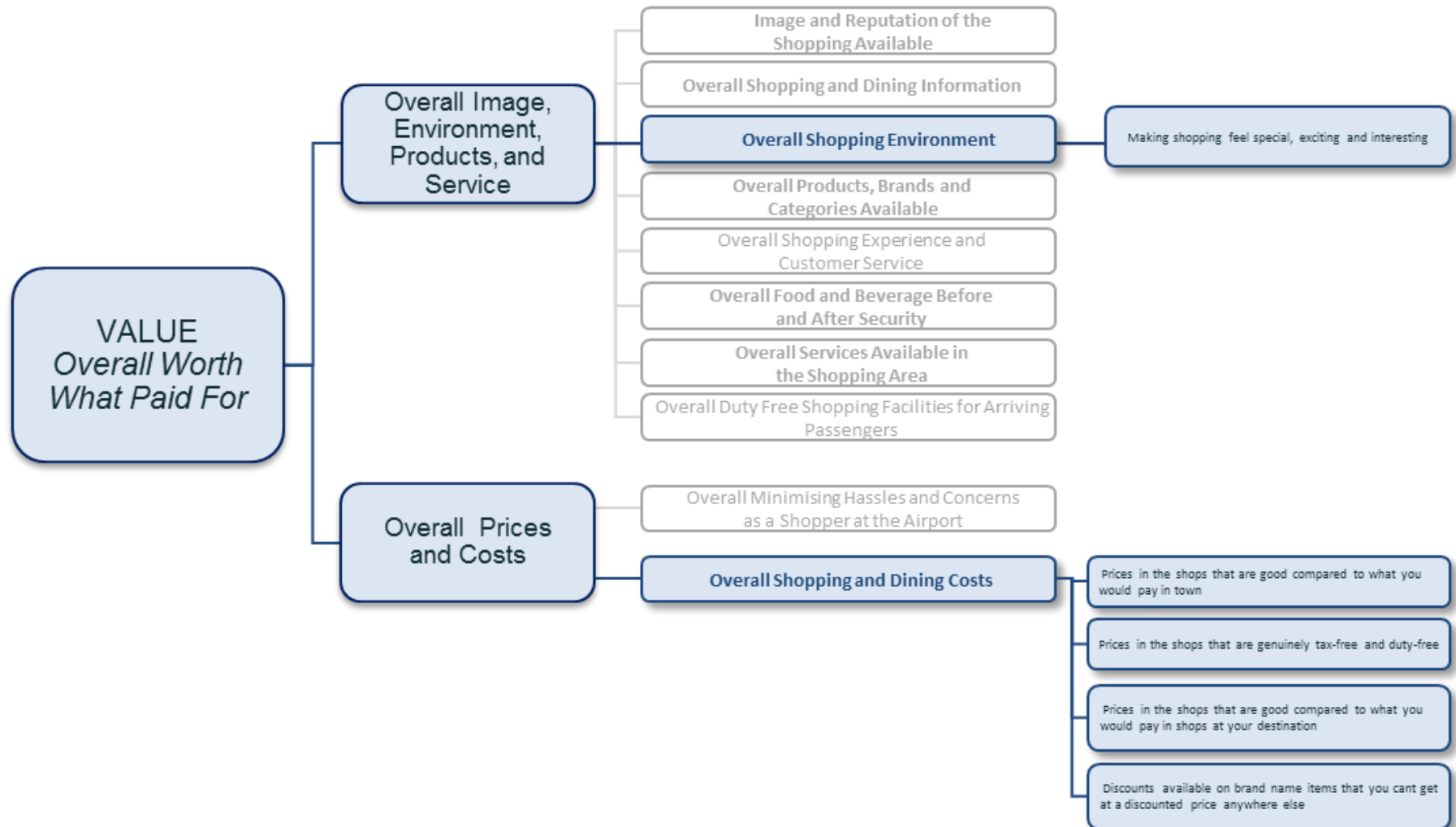
We've seen a step change in our advertising sales from moving to a new agent in the last 12 months

However, our market is changing

ITB Retail PSR FY13 vs FY15 (excl tobacco)



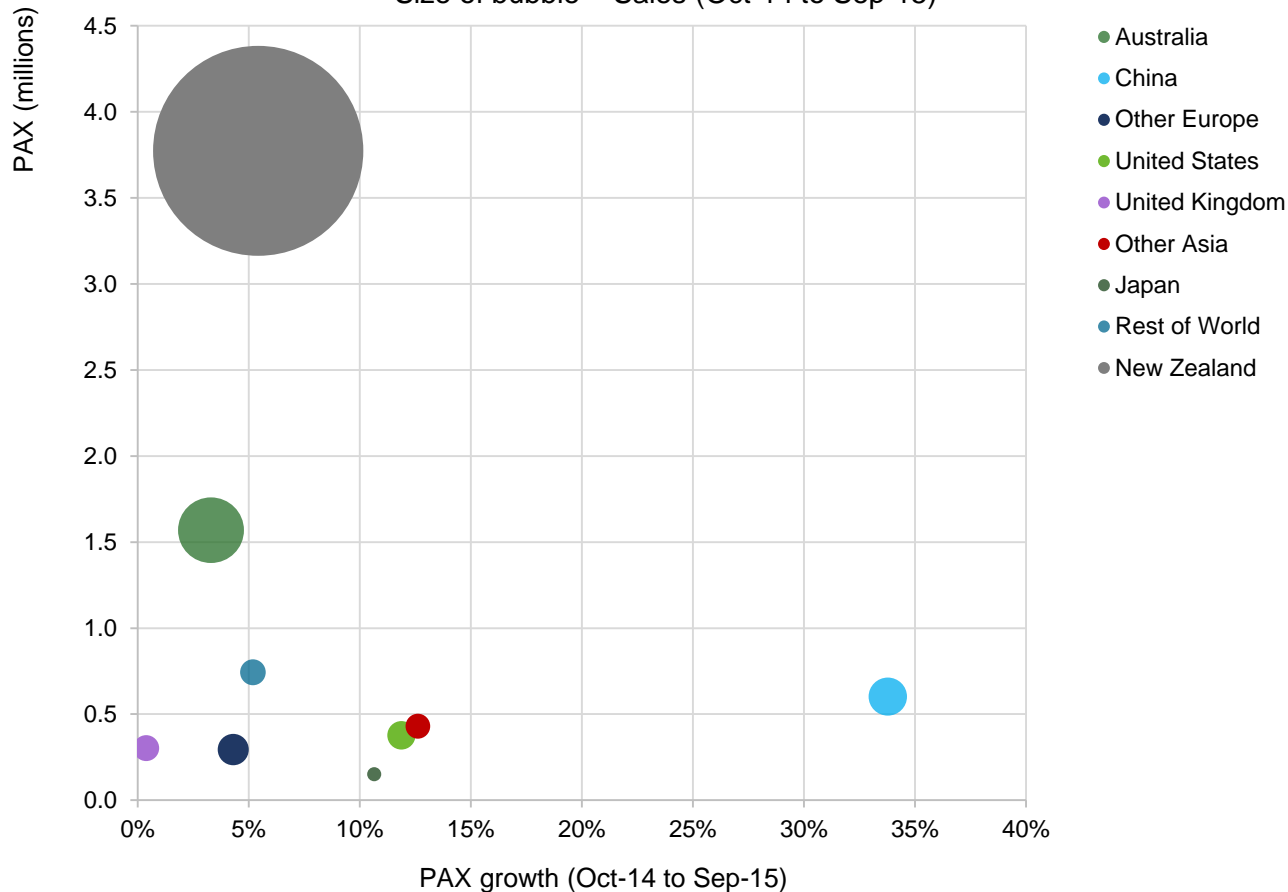
Market Insight: Customer Value Measurement



Market Insight: Spend by passenger nationality

Retail Segments by Region

Size of bubble = Sales (Oct-14 to Sep-15)



Although passenger growth from China is considerably higher than other regions, Chinese residents still generate a relatively modest proportion of total international terminal sales

Market Insight: Segments and market share

Spend by customer type

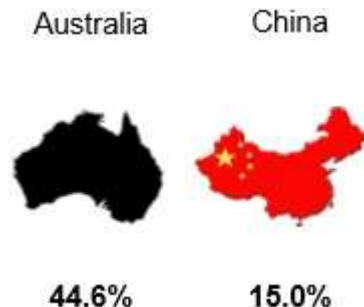
PROPORTION OF SPENDING BY CUSTOMER TYPE AT THE AUCKLAND AIRPORT TERMINAL

This chart looks at the proportion of customers shopping at the Airport Terminal by month, to determine seasonal trends by customer type.



- NZ residents still contribute almost 80% of total sales in terminal

- 60% of sales from international travellers come from Australian and Chinese residents



Opportunities to grow categories

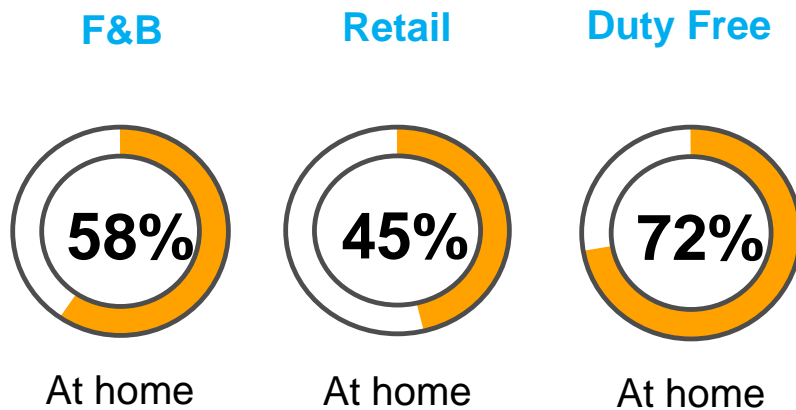
Category	Market Share vs Downtown & Online
Fashion	1%
Jewellery	3%
Technology & Entertainment	1%
Destination & Souvenirs	4%

- There are some categories which still have considerable room for growth in terms of driving the airports market share

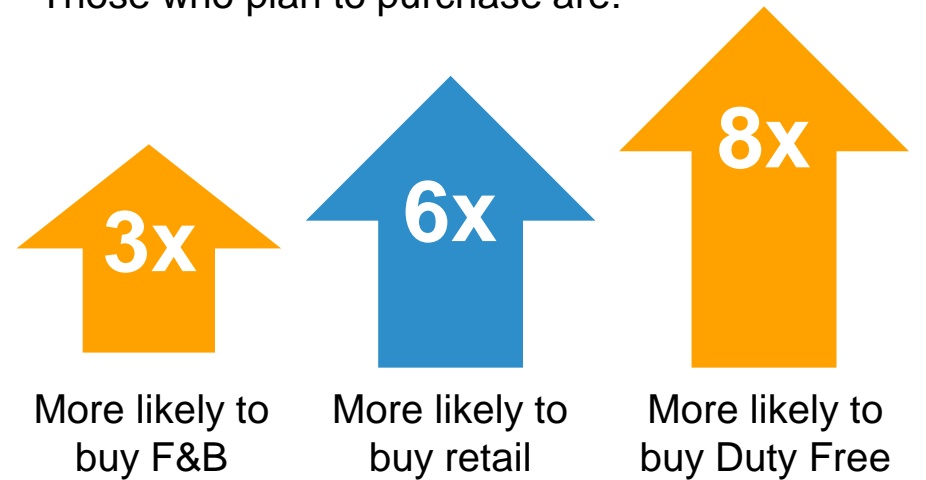
Market Insight: Customer Journey

Most passengers decide whether to shop at the airport before they leave home

For passengers who made a purchase, the decision to buy was made:



Those who plan to purchase are:



And spend:



The big moves: Retail Value Proposition



Freedom to discover the very best of New Zealand and the world

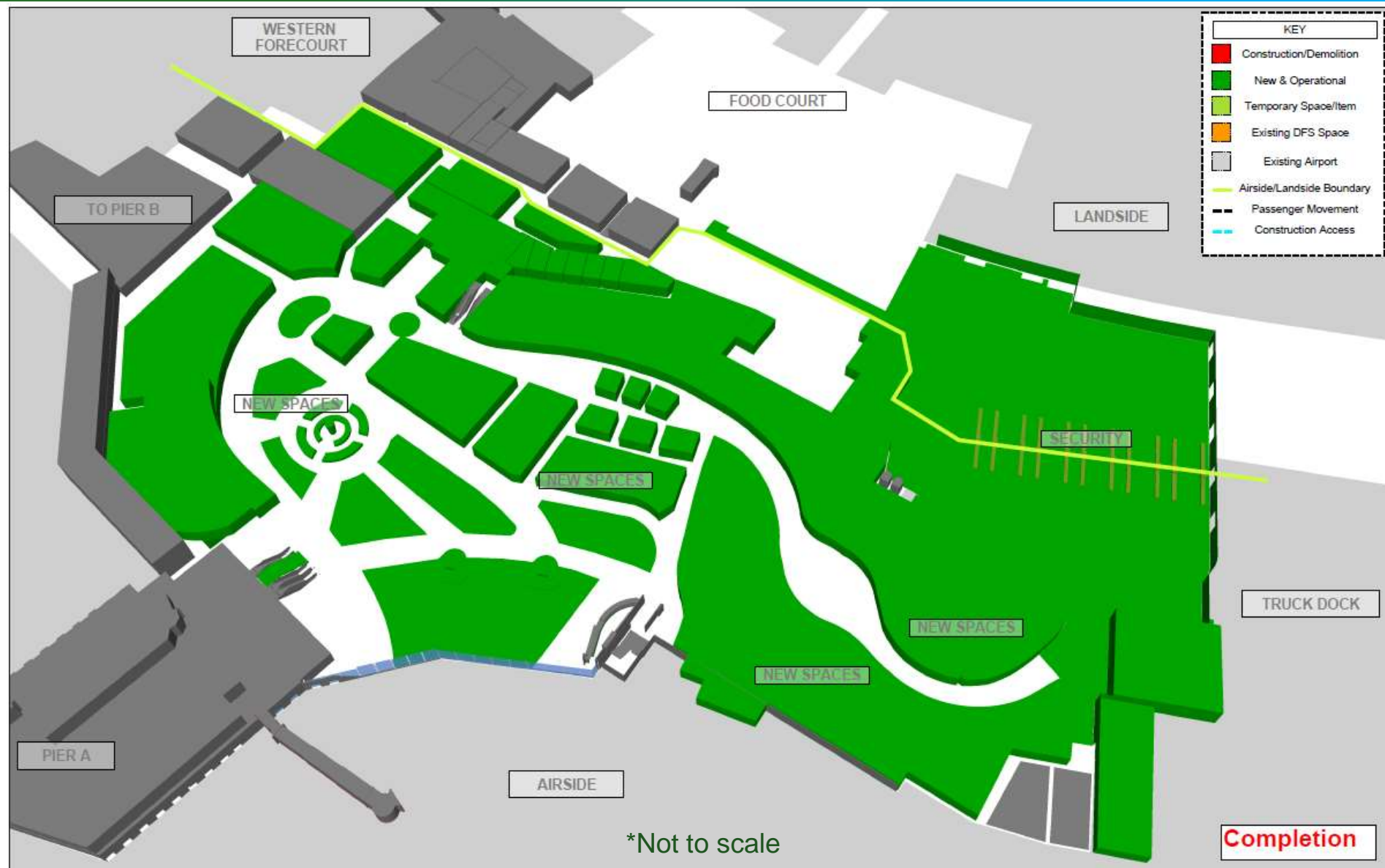
The big moves: Duty Free Tender



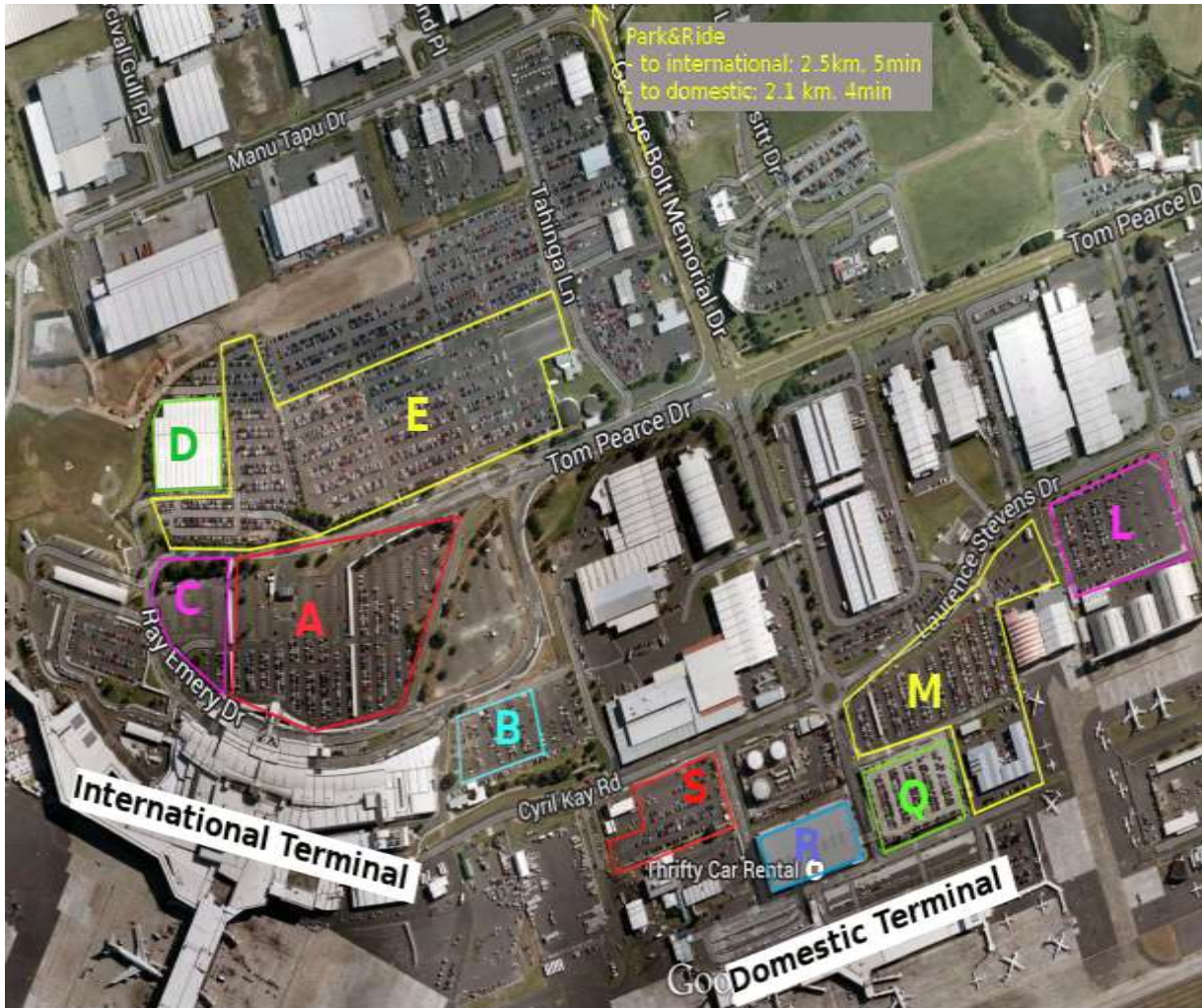
The big moves: Duty Free Tender



The big moves: ITB expansion



The big moves: Smart additions / capacity



Future focus areas



- **Deliver business results**
- **Lease new space to deliver “Best of NZ & World”**
- **Manage retail through construction disruption**
- **Online transformation**



Strengthening Customer Relationships

Jason Delamore
General Manager Marketing

Investor Day: 6 November 2015

- Building team capability – both internal and external. Ranging from creative talent to digital boffins – underpinned by project management and strong delivery
- Building platforms to optimise customer knowledge – culling, or shifting effort so we can better deliver to customer needs
- Establishing brand consistency – physical and digital
- Joining the dots
 - End to end view of customer experience
 - Customer data
 - External leverage points and partners (digital, tourism)
 - Leveraging our scale
 - Broadening channels and customer engagement

Staying focused: Engage where can we move the dial and deliver results

Early Forays and Outcomes

Tourism engines significantly improved

- Successful Tourism Growth Partnership with MBIE
- Delivering FIT and high net worth travellers through referral channels
- Digital footprints improved – seasonal campaigns targeting right segments
- MOU with Tourism NZ (leverage in-market)

New Partnerships

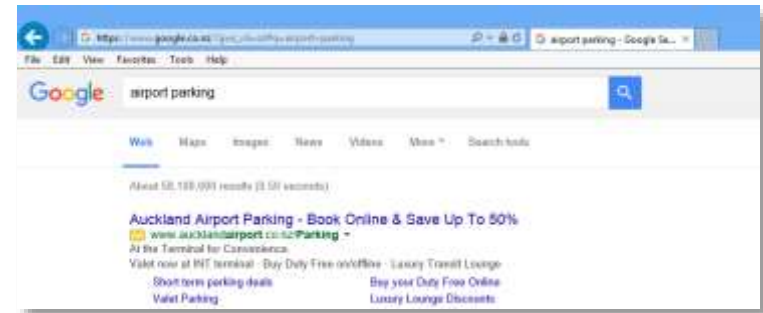
- World first between TripIt and Auckland Airport – new levels of customer engagement that extends reach and relevance
- Increasing interest from others



Early Forays and Outcomes

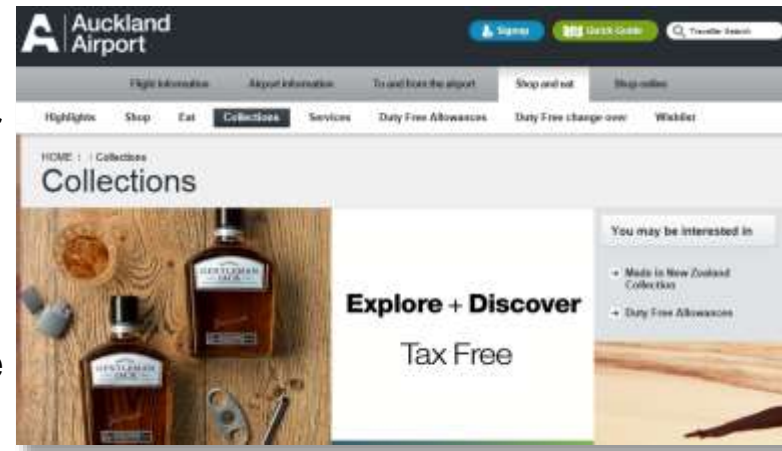
Search and digital to drive base assets

- 15% YOY improvement in online parking bookings and 79% YOY improvement in online Emperor lounge bookings
- 5.8M digital sessions. Mobile access grew by 27% and is now half of all our traffic
- Effectiveness of digital ad spend improved by 15-20%



Online Retail

- 5 Retailers online
- 5x increase in online sales last year with DF partner (new start with new DF Retailers)
- Capability and approach evolving and improving – advantage of scale has been proven
- App now driving sales



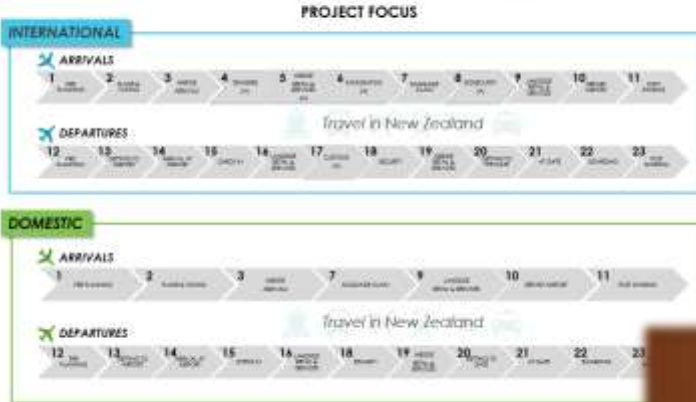
Outbound NZ	Inbound	Customer Experience
<p>Customer engagement and value exchange (data, behaviour, influence)</p> <p>Marketing effectiveness to support Retail</p> <ul style="list-style-type: none"> ▪ Fair value (Explore & Discover Tax Free) ▪ Consideration early in travel journey <p>Optimise online channels</p>	<p>Participate in markets that need support (China, Australia)</p> <p>Leverage partner reach, capability and funding: TNZ – China/SEA/Aust ATEED – Aust</p> <p>Extend Retail reach where meaningful</p>	<p>Pan-business framework created</p> <p>CE and revenue are linked – drivers vary and research enables targeted effort</p> <p>Getting basics right in a period of construction and high growth are critical</p>

Foundational elements: customer insight + digital + pan-business

Customer Experience

- an ambitious programme of activity

AIAL CUSTOMER JOURNEY MOMENT MAPS

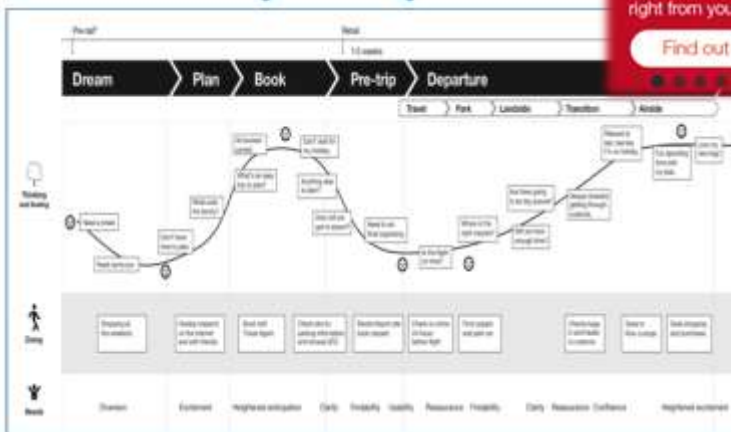


Go further
with the new Auckland Airport app + Triplt®

Download our new app and take control of your travel, right from your front door to the departure gate.

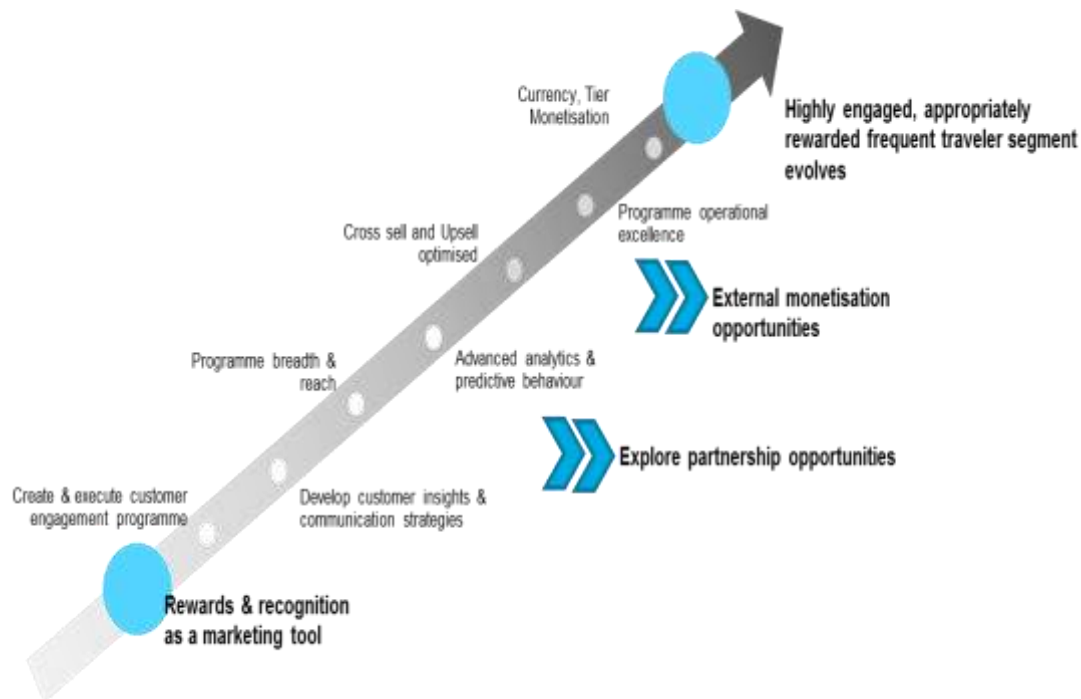
[Find out more](#)

Available on the **App Store** and **Google play**



Understanding customer behaviour

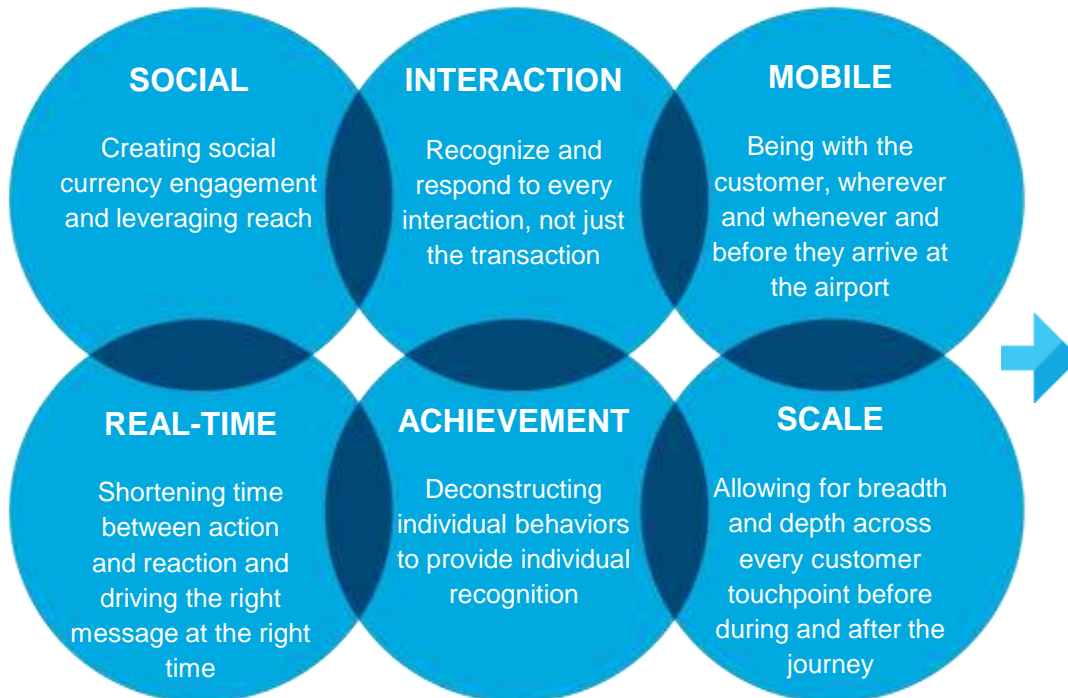
Understanding behaviour leads to knowing *what* customers are doing, *when* and *how* often. The next phase is to capture who they are, predict behaviour and recognise appropriately



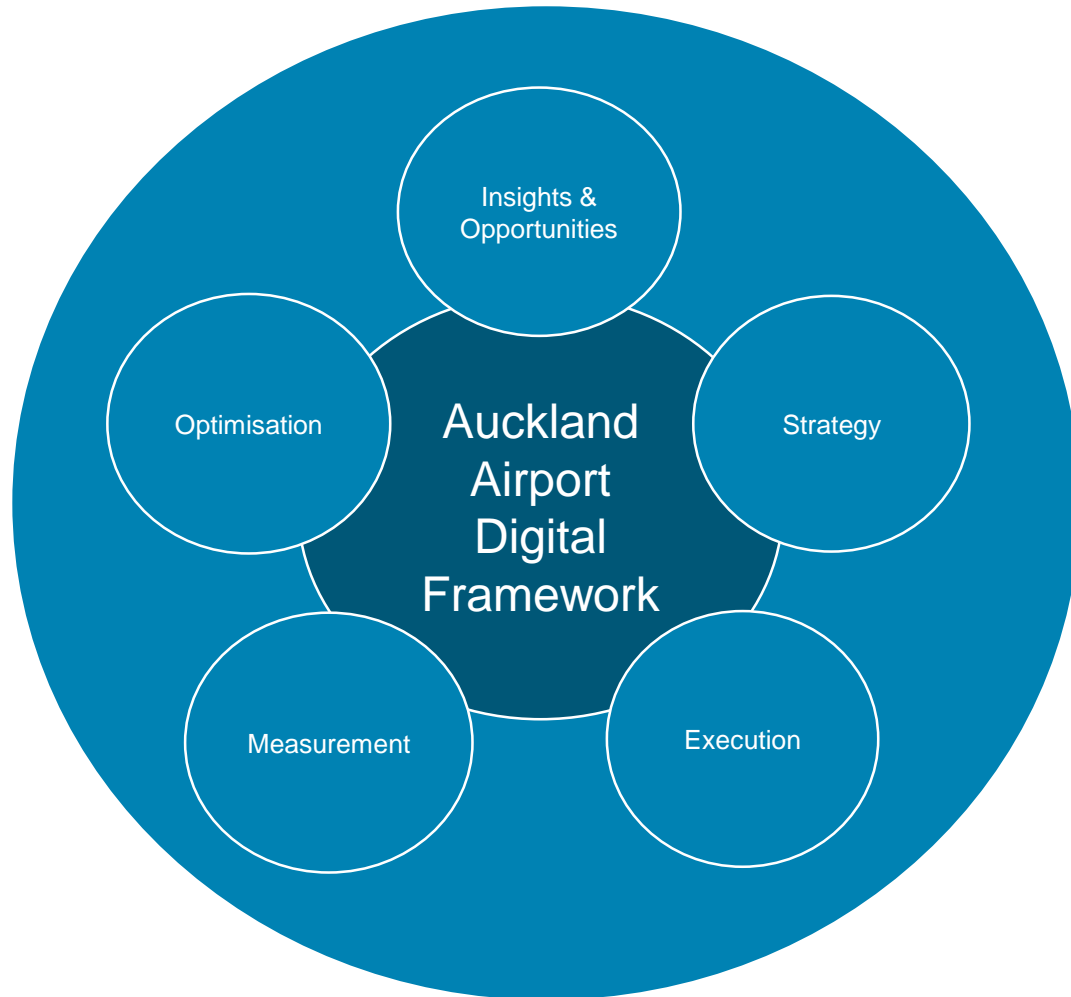
- Unique NZ travellers per year = 1.7M
- 400,000 New Zealanders who travel 3+ times per year through Auckland
- 850,000 who travel 1-2 times per year through Auckland
- 65,000 International visitors who travel 3+ times per year through Auckland

- “ASQ”- understanding what matters to customers – focus on the basics
- 23% of NZ ITB travellers do not make a purchase
- 40% of NZ DTB travellers do not make a purchase
- 75% of car parking customers make a retail purchase

Our vision – real relationships



**CREATING THE
RIGHT CUSTOMER
EXPERIENCE ACROSS
THE WHOLE CUSTOMER
JOURNEY**

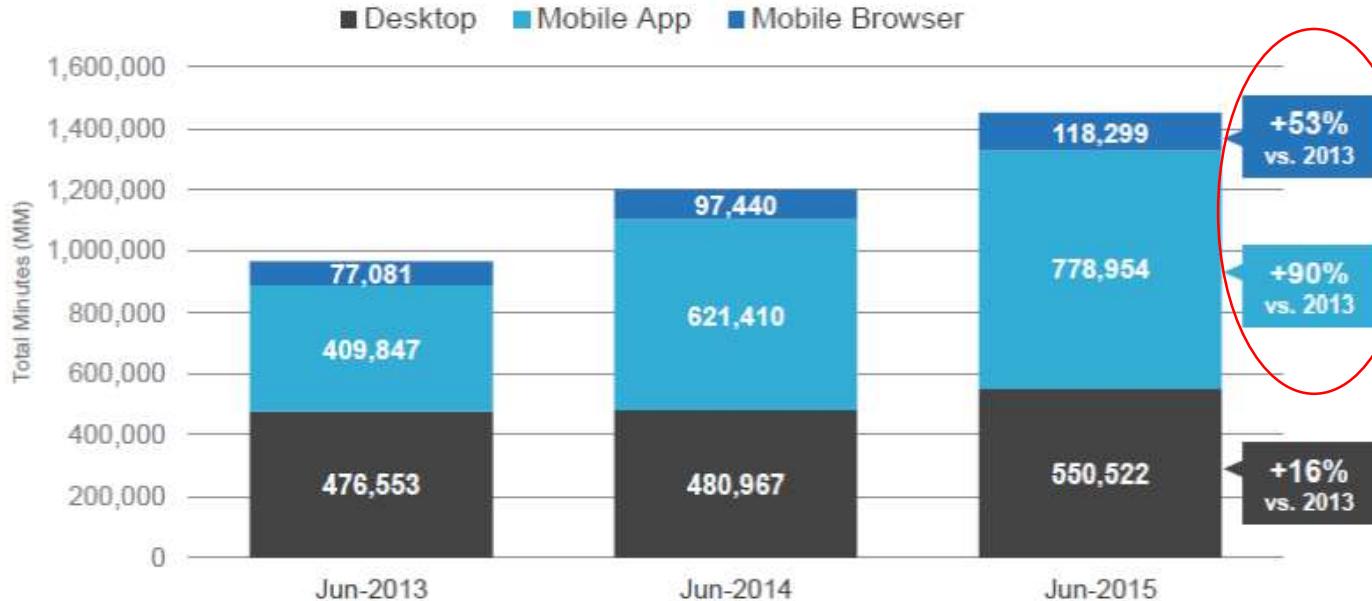


- Enabling customer choice
- Enhancing end-to-end experience (before airport- at airport- beyond airport)...where relevant
- Building depth and breadth of customer knowledge and insights
- Connecting data points and channels
- Tracking, reporting, A/B Testing to refine and optimise
- Building efficiencies for customers, partners and Airport

Macro Digital Trends

Growth in Digital Media Time Spent

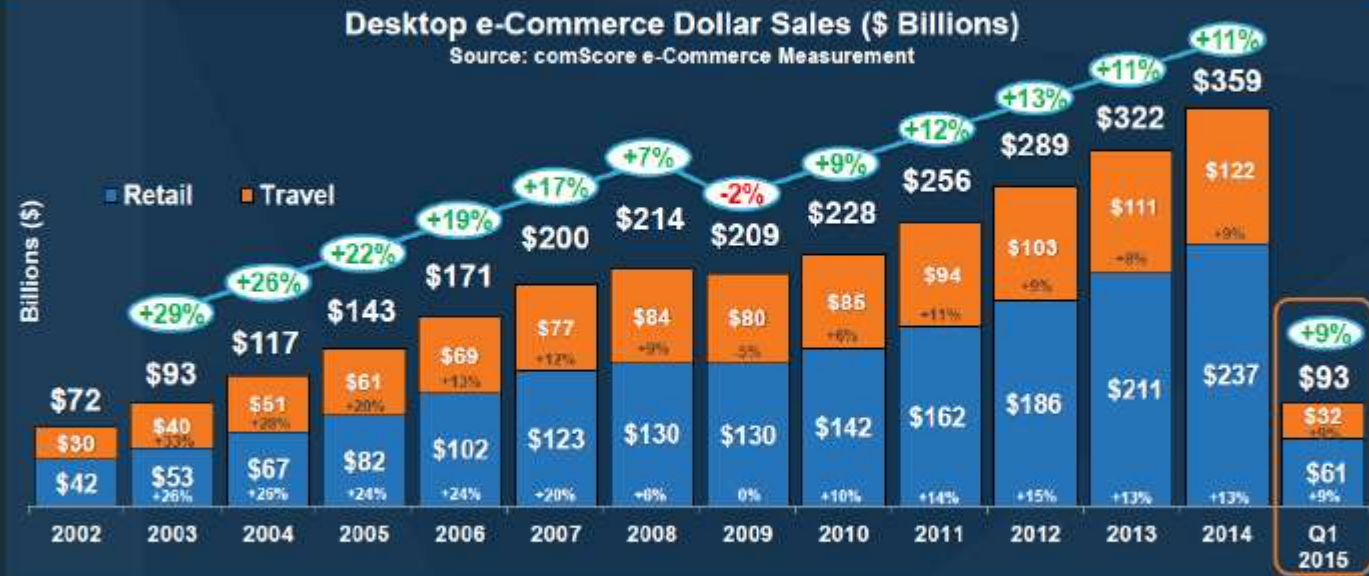
Source: comScore Media Metrix Multi-Platform & Mobile Metrix, U.S., Total Audience



Mobile (whether App or browser) is dominating the digital experience

eCommerce continues to grow

Travel e-commerce has grown consistently YOY

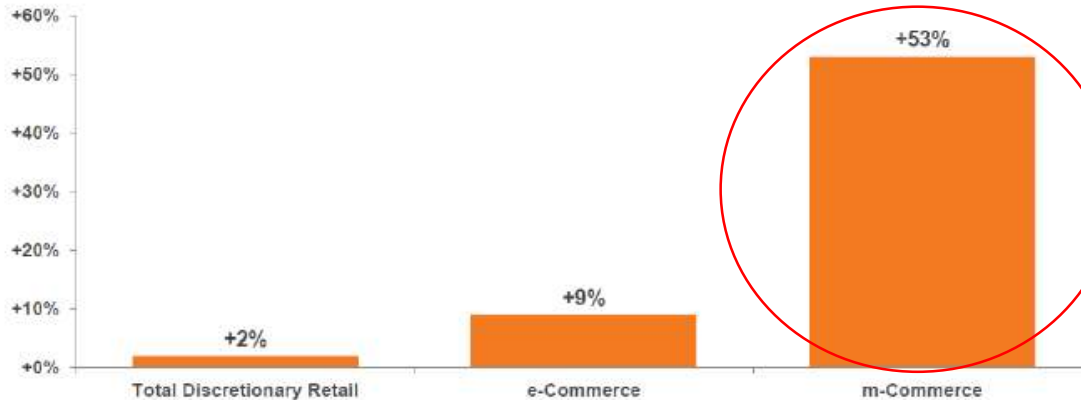


PATA Global Insights Conference 2015
October 16 | Auckland | New Zealand

mCommerce chasing hard

Q1 2015 Y/Y Retail Spending Growth by Channel

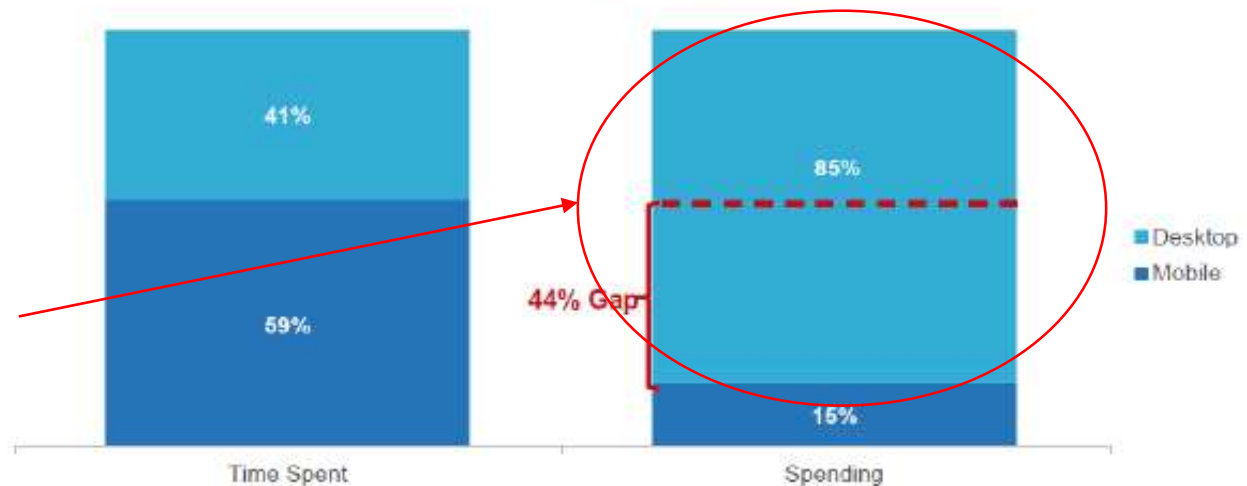
Source: Dept. of Commerce, comScore e-Commerce & m-Commerce Measurement



Mobile commerce is growing at high rates

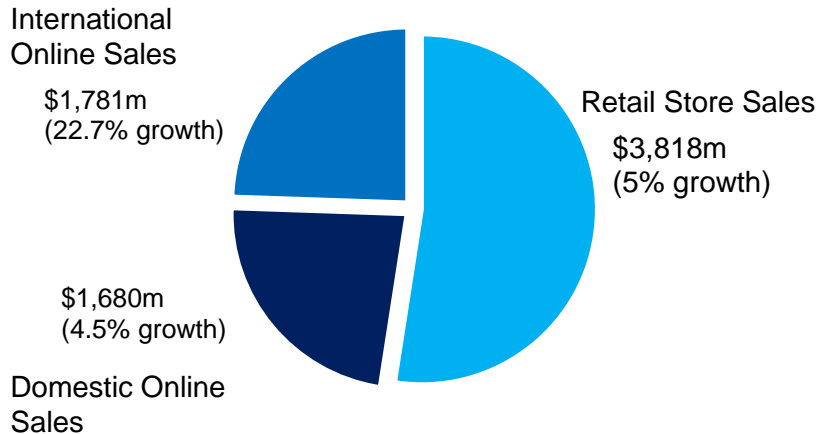
M-Commerce Monetization Gap: Share of Retail Time Spent vs. Spending by Platform

Source: comScore Media Metrix MP and m-Commerce/e-Commerce, Q1 2015



...But desktop is 'currently' still the engine room of online sales

NZ Retail & Consumer Goods Market \$m (Categories relevant to Auckland Airport Retailers)



- 58% of those aged over 18 made an online purchase in the last year
- 18.2 million items purchased online per annum
- 94% research and compare products and services via the internet
- User generated influence is growing (39% of people who read a consumers comments online followed up with a purchase) – hence importance of bloggers, social etc

Auckland Airport growing mobile presence

- Approx 50% of digital traffic now via mobile devices
- App growing fast and new platforms catered for (iOS and Android)
- Active users and time on App both improving
- App as a customer experience tool is getting good feedback
- App as mCommerce tool evolving and good early results
- Further development planned

Bringing campaigns to life

THE LOOP DUTY FREE

GET THE NEW AUCKLAND AIRPORT APP



BVLGARI

Man in Black Intense EDP 100ml
Man Extreme Intense EDP 100ml

All Blacks Limited Editions

ONLY AT THE LOOP DUTY FREE FOR \$109 SAVE \$40* WITH TAX AND DUTY FREE

*Savings are compared to the regular retail price (including GST) at Smith and Douglas on 30 September 2015 of \$149.50.

Explore + Discover Tax Free



While stocks last. Price valid until 30 October 2015. Savings may change.

ae Aelia Duty Free



Take both home for \$99

ONLY AT AELIA DUTY FREE SAVE 18% OFF RRP

Explore + Discover Tax Free **A** Auckland Airport

Auckland International Airport Limited

Published by Priya Rajan on 31 August at 12:30

Stuck on what to gift dad this year? Johnnie Walker's blended whiskies are a perfect pick! For a limited time get 20% off your purchase when you buy two Johnnie Walker whiskies from Aelia Duty Free. Check out the range online here: <http://aeliadutyfree.aucklandairport.co.nz/Promotion-Johnnie>... or at Aelia Duty Free on level one of the international terminal, after security #FathersDay



20% OFF
WHEN YOU BUY 2+ JOHNIE WALKER PRODUCTS*

ae

Auckland International Airport Limited

Published by Priya Rajan on 15 September at 16:45

Auckland Airport exclusive: Calling all angels! Heavenly Victoria's Secret goodies are now exclusively available in our international terminal. Stop in next time you're flying and browse their range of world-famous beauty and accessories. Tag someone who'd love to know that Victoria's Secret is now available in NZ! <https://www.aucklandairport.co.nz/>... Victoria's Secret app.



15,425 people reached

Auckland International Airport Limited

Published by Priya Rajan on 15 September at 16:45

Happy (Fragrant) Friday! Take a little fragrance to go to Victoria. If you want to get your hands on this prize, please just comment below with the tag fragrance you purchased and you're in the draw. Easy! There's over half way through our Fragrance Friday promo so make sure you leave your chance to win. Thanks to The Loop Duty Free - New Zealand for this prize. Check out the selection of the fragrances here: <http://bit.ly/10K3H4y>



Win with **Fragrance Fridays**

Valet Park this close to the international terminal.

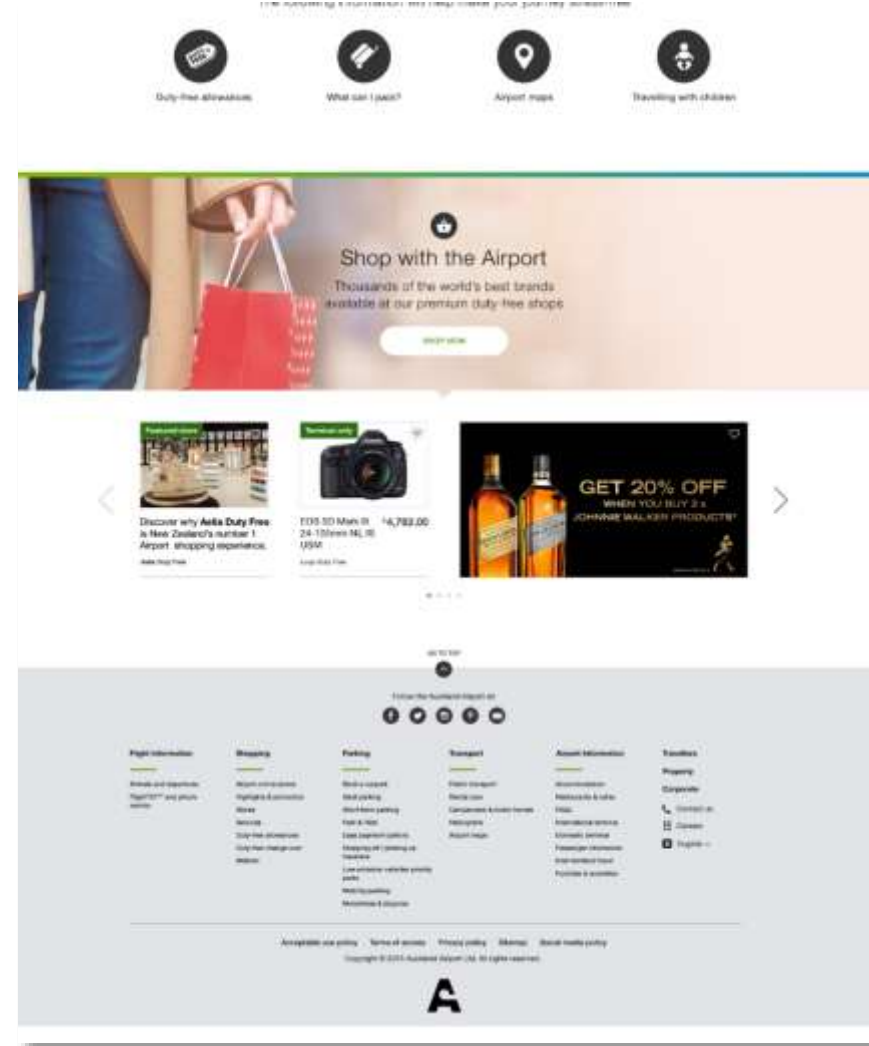
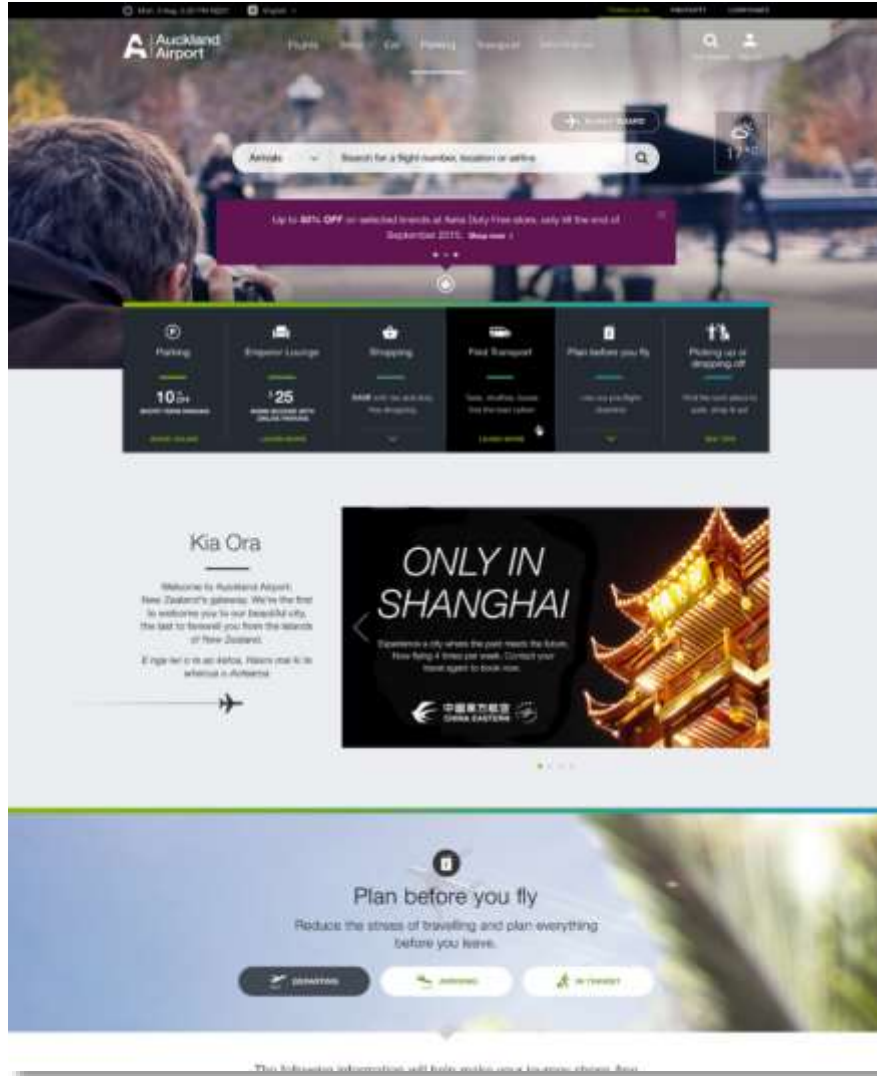
Auckland Airport Valet Parking.



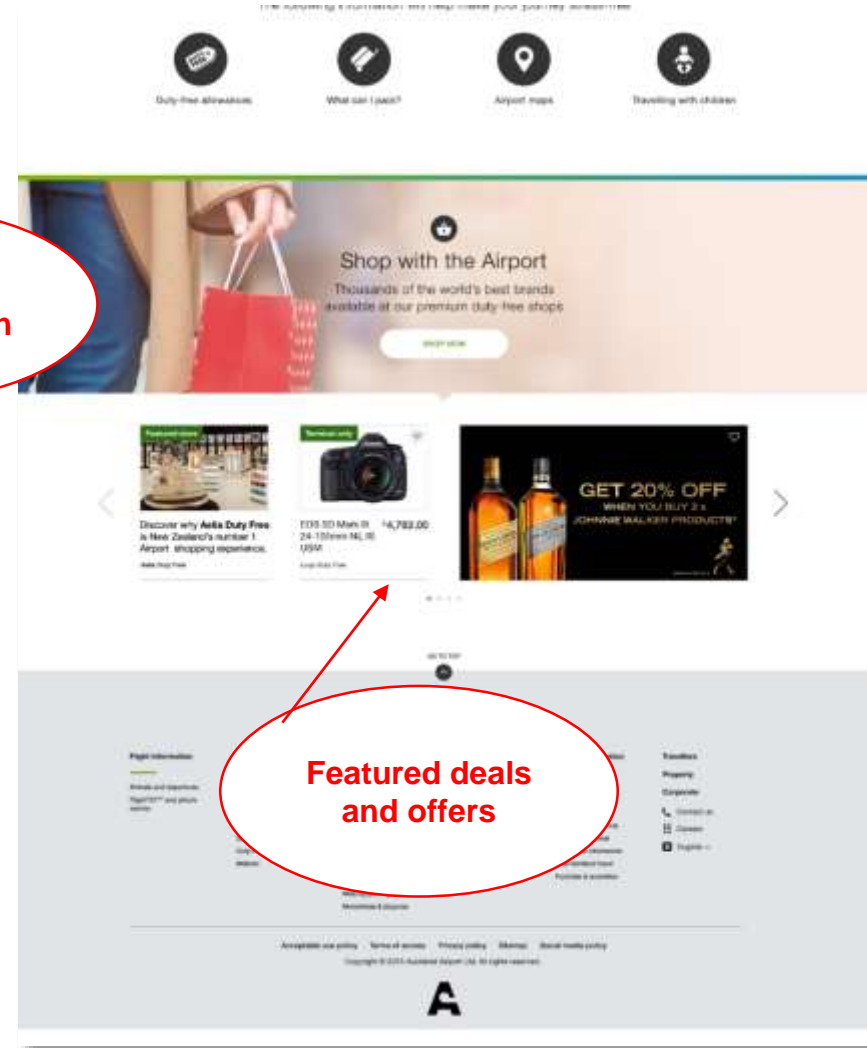
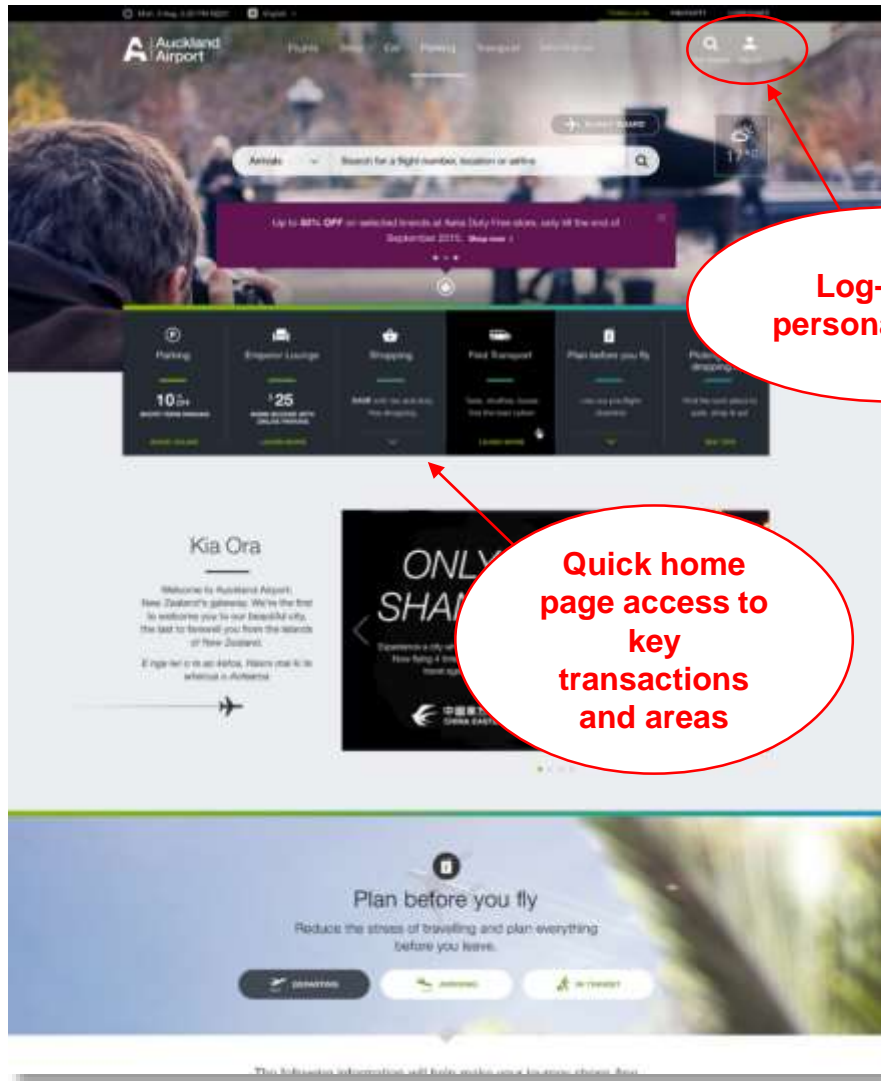
Drive up or book and save at aucklandairport.co.nz

Follow the signs **A** Auckland Airport

Coming soon – new online experience



Coming soon – new online experience



Coming soon – new online experience



Mon, 2 Aug, 1:31 PM NZDT English

Auckland Airport

Flights Shop Eat Parking Transport Information

Book a carpark

Book a carpark

Enjoy our safe and reliable parking options, right at heart of the Auckland Airport.

Book your carpark today

1 Your booking details

Choose your terminal

International Domestic

City date & time

Fri, 08 Oct 2016 08:00 PM

Car date & time

Sat, 11 Oct 2016 02:30 PM

Find a carpark

The Emperor Lounge

The Emperor Lounge invites you to enjoy the quiet space, and relax before your flight.

From \$25

Learn more

Select your carpark

Sort by Time to terminal Lowest price Premium Value Covered

<p>Park & Ride</p> <p>5-10 min to terminal</p> <ul style="list-style-type: none"> Cost effective Easy, frequent shuttle Secure and monitored <p>SELECT THIS</p>	<p>Park & Ride</p> <p>5-10 min to terminal</p> <p>\$47</p> <ul style="list-style-type: none"> Cost effective Easy, frequent shuttle Secure and monitored <p>SELECTED</p>	<p>Carpark D</p> <p>5-10 min to terminal, covered</p> <p>\$53</p> <ul style="list-style-type: none"> Cost effective Easy, frequent shuttle Secure and monitored <p>SELECT THIS</p>	<p>Carpark E</p> <p>5-10 min to terminal, covered</p> <p>UNAVAILABLE</p>
--	---	---	--

Park & Ride

Essentially carpooling. The cost-effective way to drive yourself.

2 Upgrade your experience

For a little bit extra you can have a better parking experience

<p>Carpark B</p> <p>From \$10</p> <p>5-10 min to terminal</p> <ul style="list-style-type: none"> Cost effective Easy, frequent shuttle Secure and monitored <p>UPGRADE TO THIS</p>	<p>Carpark V</p> <p>From \$15</p> <p>5 min to terminal</p> <ul style="list-style-type: none"> Terminal drop off / pick-up Car grooming Secure and monitored <p>UPGRADE TO THIS</p>
---	---

Add-ons

Treat yourself to these wonderful add-ons, you deserve it.

<p>The Emperor Lounge</p> <p>From \$25</p> <p>No matter what airline or class you are flying, the Emperor Lounge invites you to enjoy the quiet space, and relax before your flight.</p> <p>EDIT BOOKING</p>	<p>Wash and Clean</p> <p>From \$35</p> <p>No matter what airline or class you are flying, the Emperor Lounge invites you to enjoy the quiet space, and relax before your flight.</p> <p>SELECT ADD-ON</p>
--	---

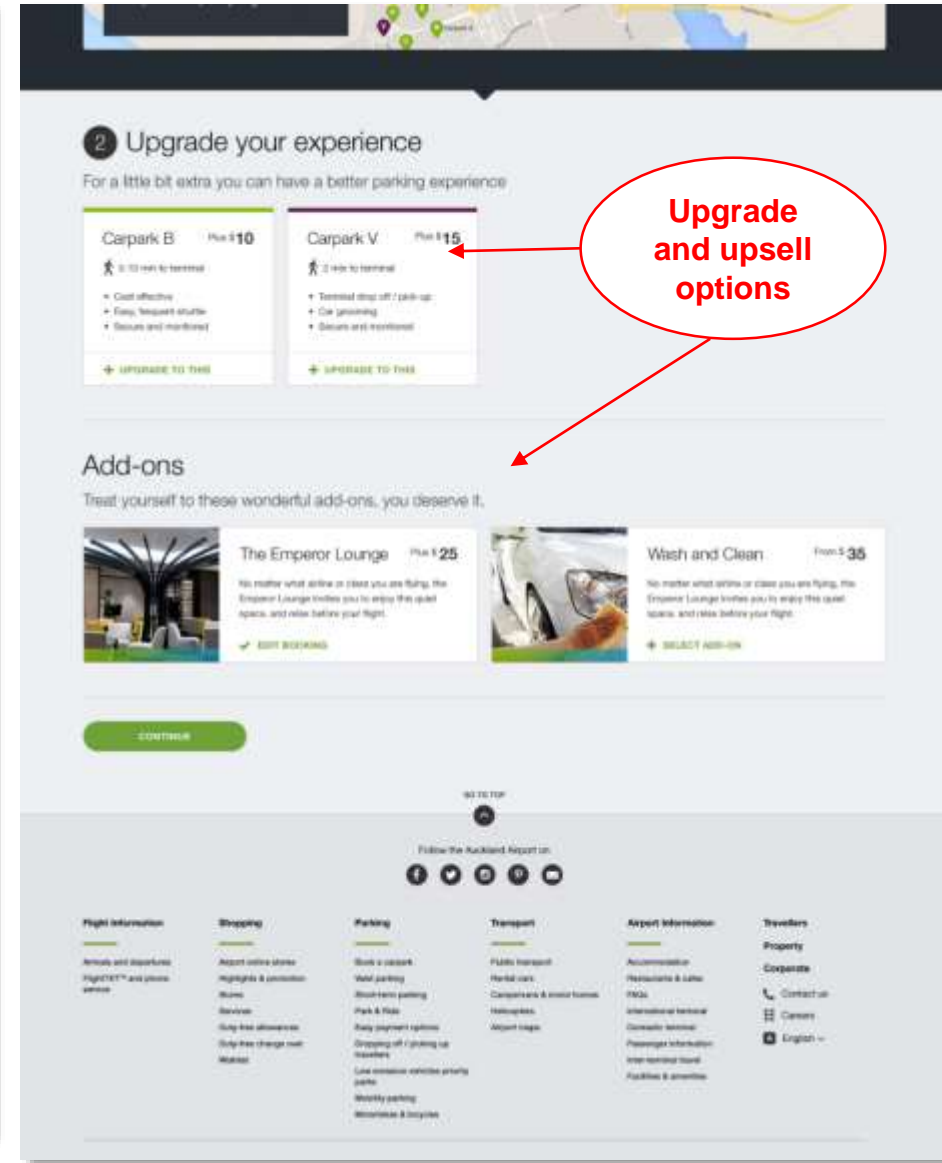
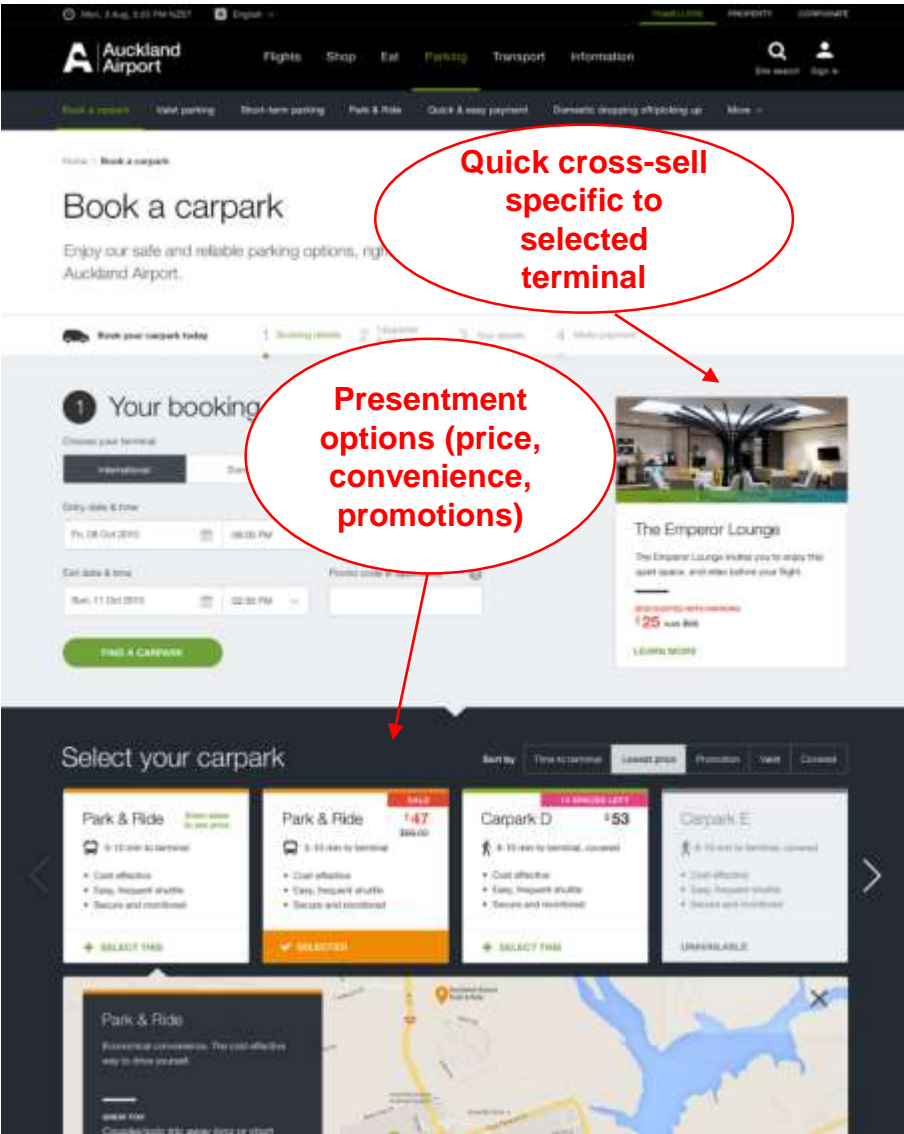
CONTINUE

GO TO TOP

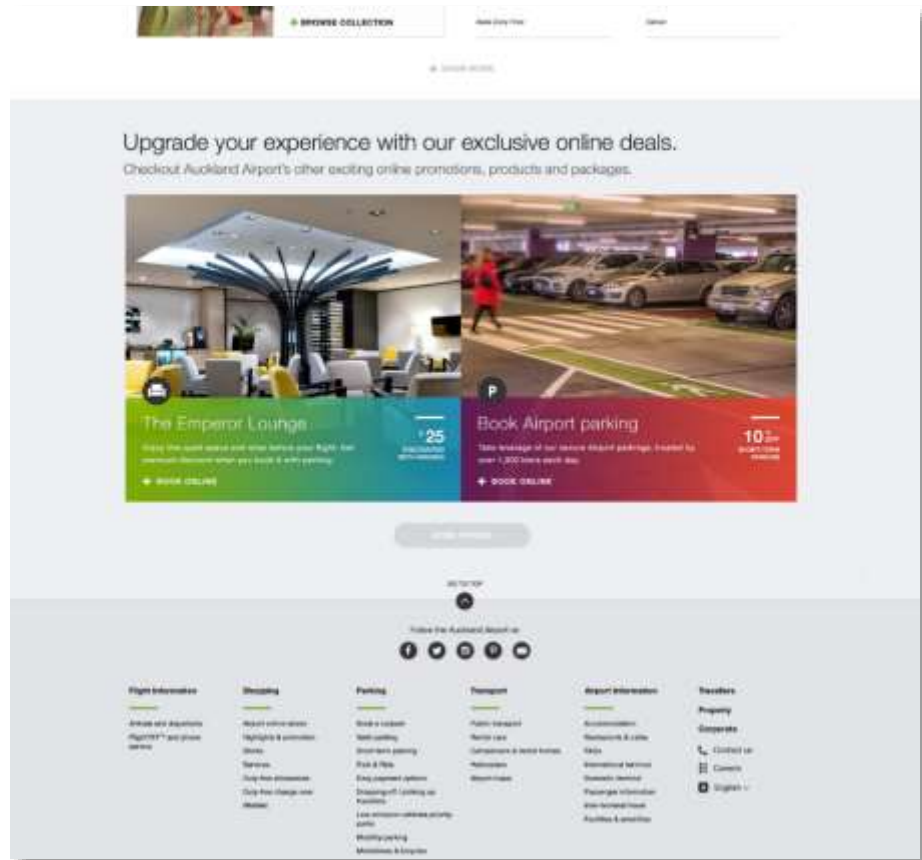
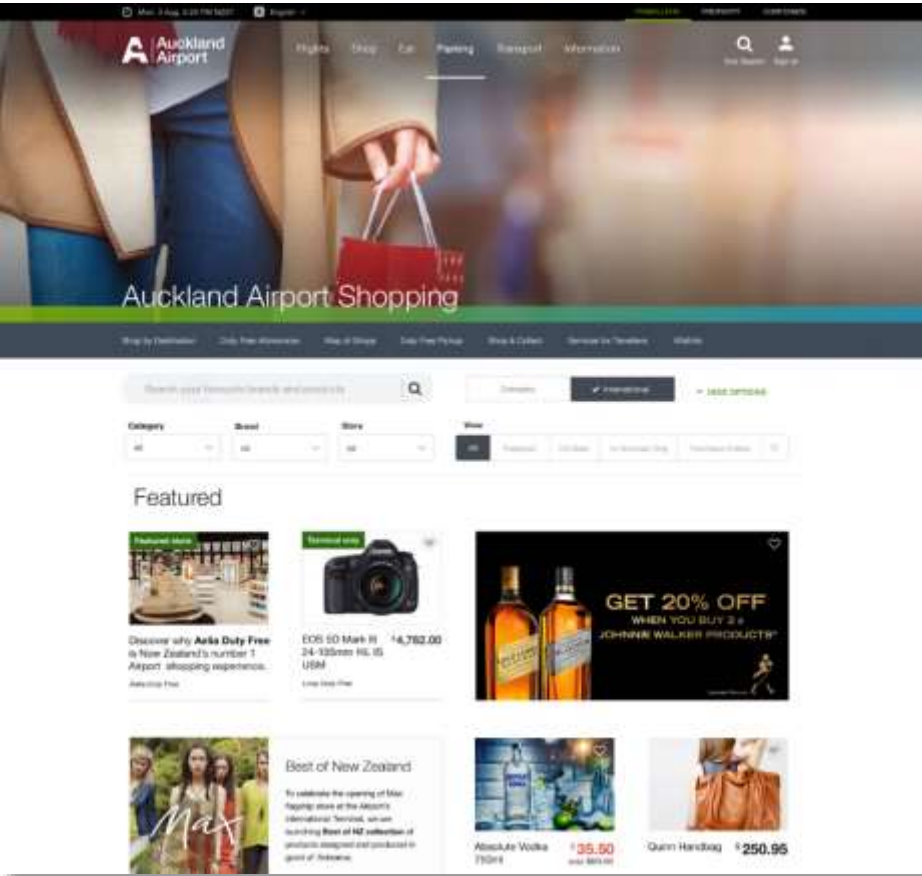
Follow the Auckland Airport on

<p>Flight Information</p> <p>Arrivals and departures</p> <p>FlightSTAT™ and plane watch</p>	<p>Shopping</p> <p>Airport online stores</p> <p>Magazines & publications</p> <p>Stores</p> <p>Services</p> <p>Buy free allowances</p> <p>Buy free charge card</p> <p>Market</p>	<p>Parking</p> <p>Book a carpark</p> <p>Walk parking</p> <p>Short-term parking</p> <p>Park & Ride</p> <p>Day payment systems</p> <p>Dropping off / picking up</p> <p>Visitors</p> <p>Lost vehicles outside priority garages</p> <p>Weekly parking</p> <p>Motorists & bicycles</p>	<p>Transport</p> <p>Public transport</p> <p>Rental cars</p> <p>Carpools & motor homes</p> <p>Helicopters</p> <p>Airport taxis</p>	<p>Airport Information</p> <p>Accommodation</p> <p>Restaurants & cafes</p> <p>FMAs</p> <p>International terminal</p> <p>Connectix terminal</p> <p>Passenger information</p> <p>Inter-terminal board</p> <p>Facilities & services</p>	<p>Travelers</p> <p>Property</p> <p>Corporate</p> <p>Contact us</p> <p>Carers</p> <p>English</p>
---	---	---	---	--	--

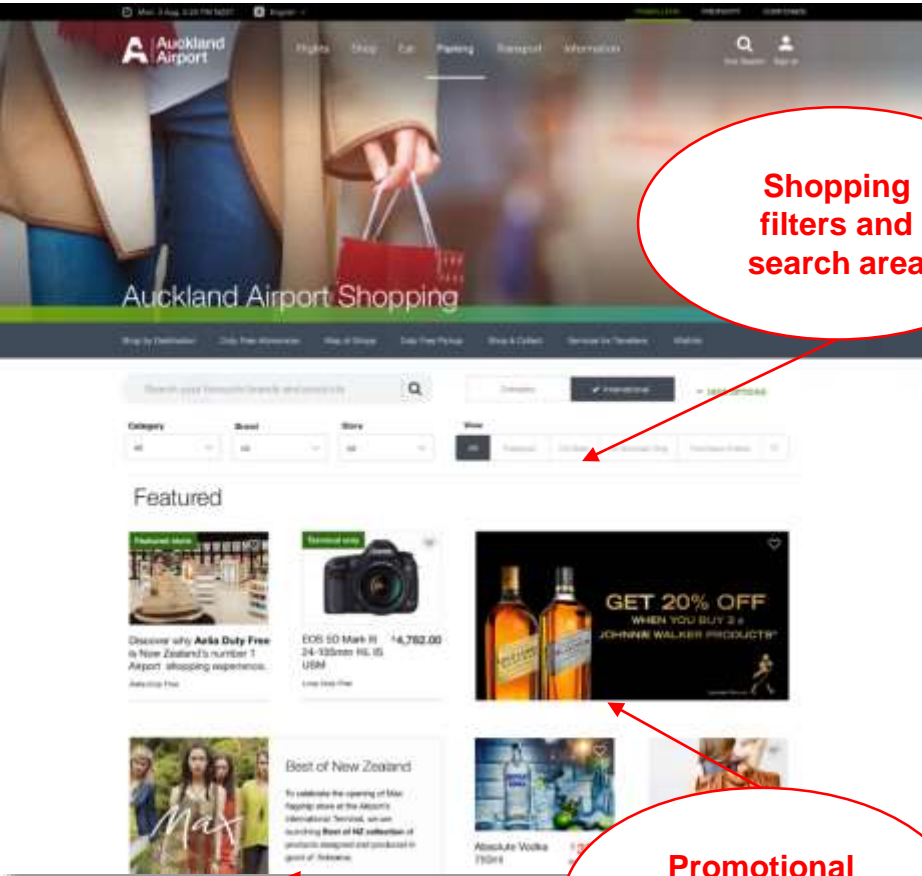
Coming soon – new online experience



Coming soon – new online experience

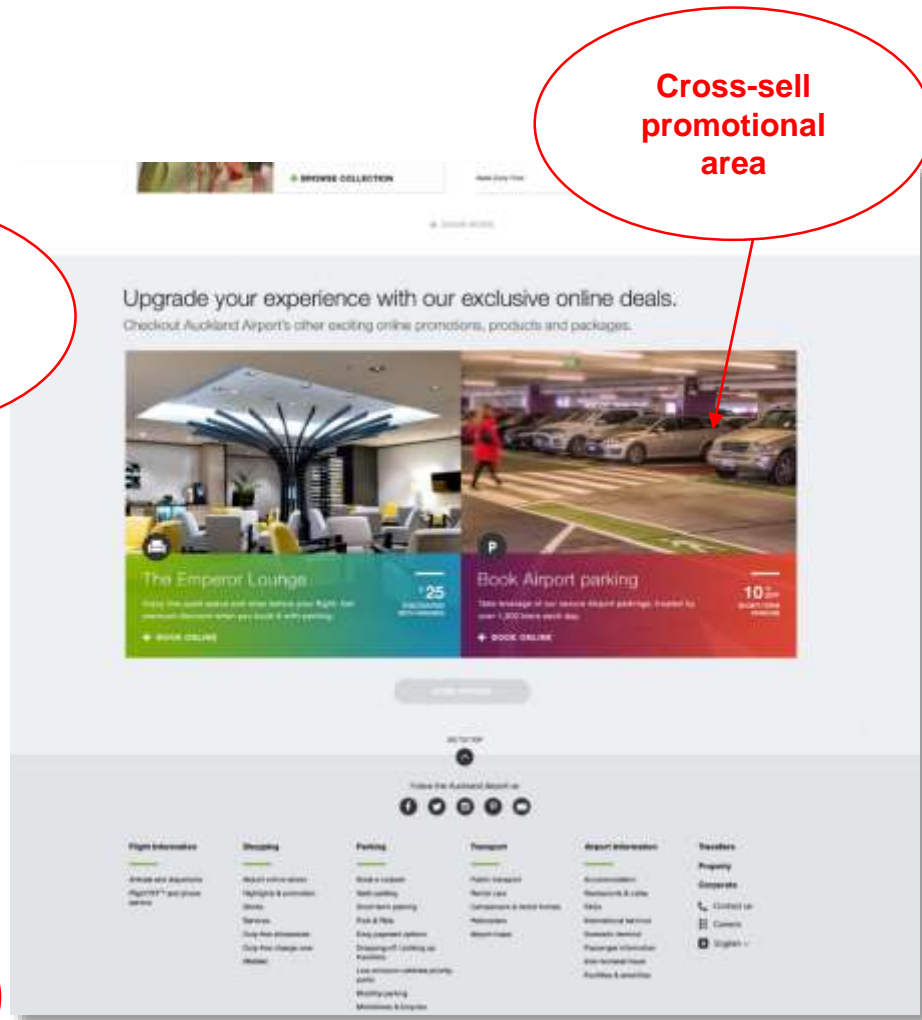


Coming soon – new online experience



Shopping filters and search area

Promotional and collections areas



Cross-sell promotional area

Optimising Customer Experience

- Execute on variety of projects (improving overall experience)
- More dynamic/ granular measures so we can target initiatives more effectively
- More collaboration with broad range of stakeholders (airlines, border agencies)
- Provide focus on customer experience through a period of construction and change

Online/ Omni Channel

- Improve propensity to engage
- Build customer history and knowledge
- Cross sell/ upsell opportunities
- Testing mobile propositions (beacons, mCommerce)



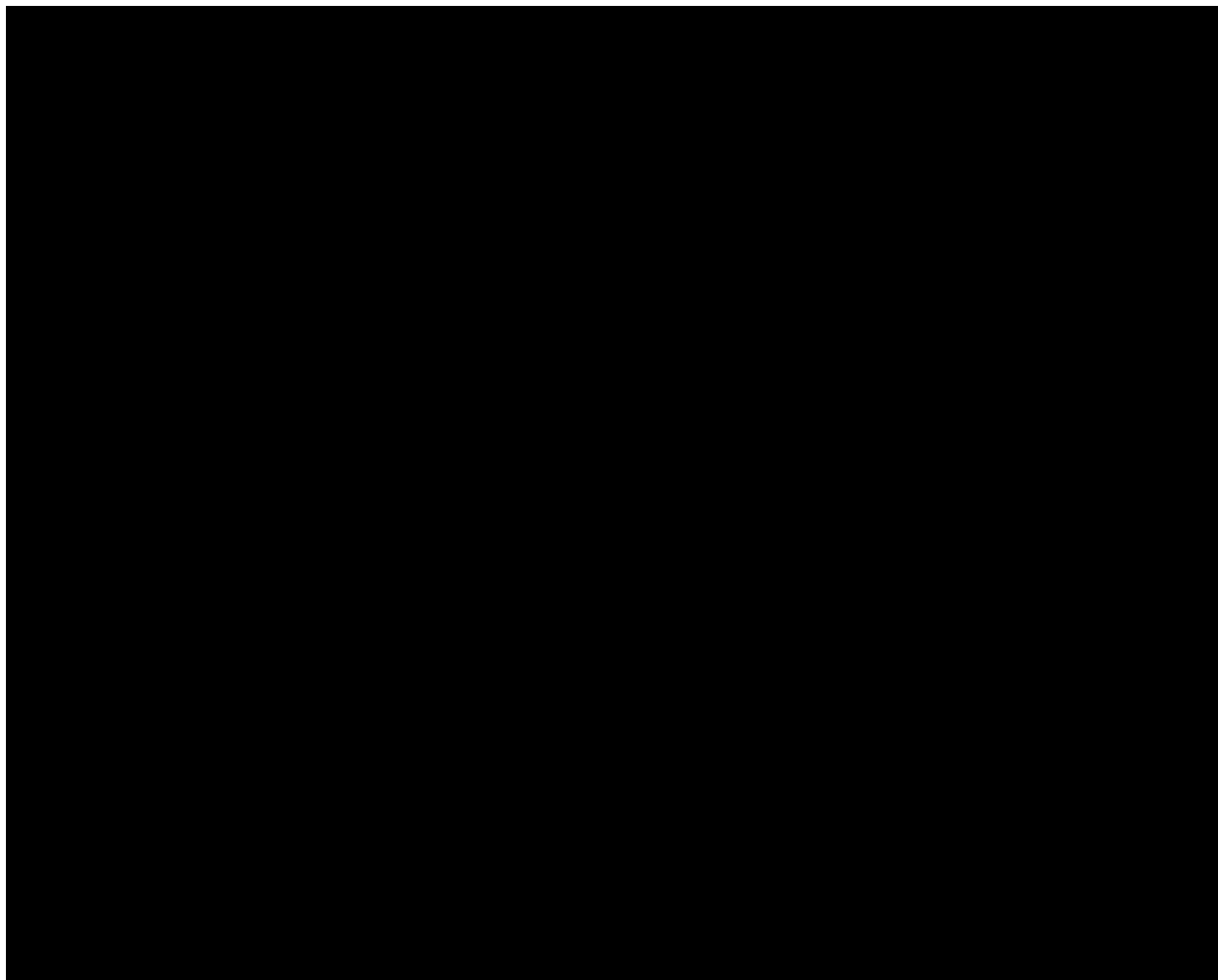
Exploring reward & recognition with Retail partners

- Targeting repeat customers with high spend potential
- 40-50% of travellers park – improving online experience presents more choice and enhances knowledge
- 75% of high value customers have indicated interest in developing a stronger relationship
- Benchmarking internationally



Common elements include:

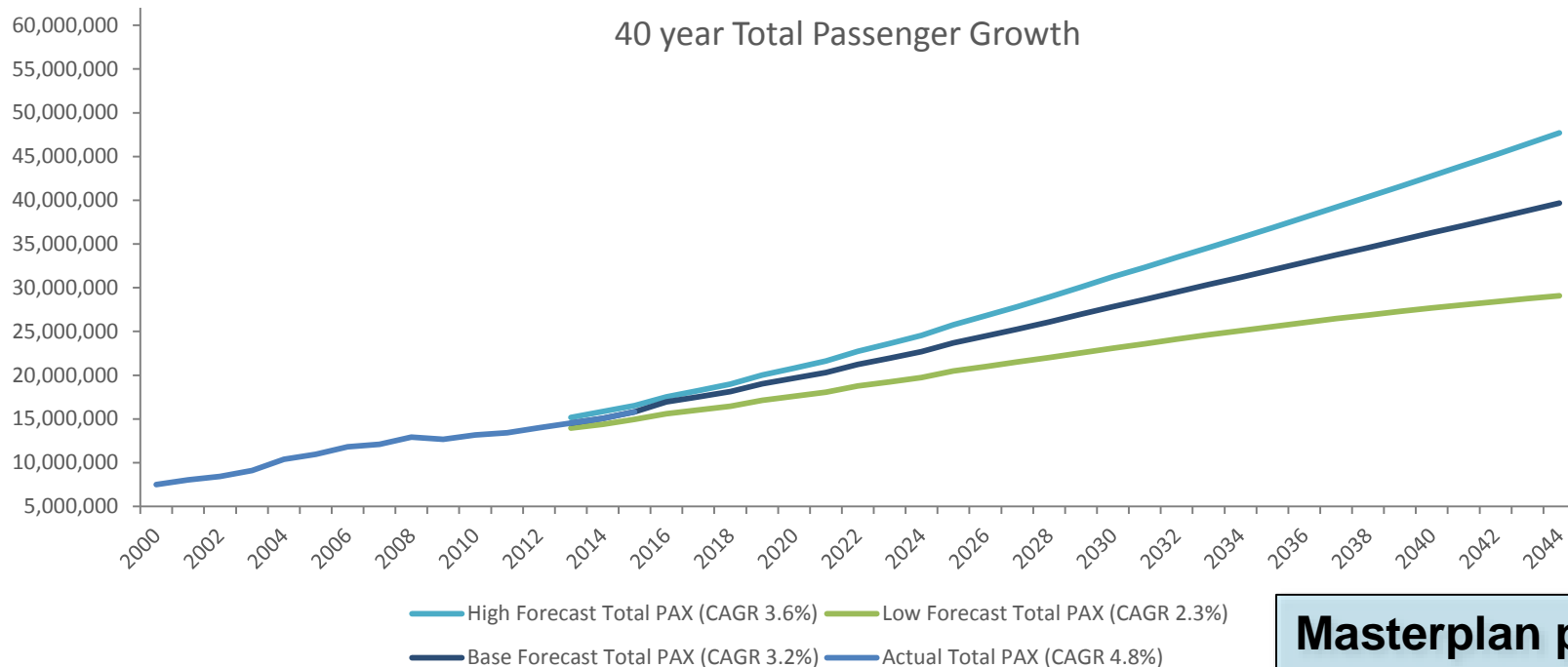
- Retail partnerships
- Lounge, Parking, Access benefits to improve customer experience
- Open to all travellers



AIRPORT DEVELOPMENT



Why?



- We are entering a new period of growth
- Our capacity must meet that demand
- Long lead-times

Masterplan principles

- Planned
- Affordable
- Stageable
- Implementable
- Flexible
- Sustainable

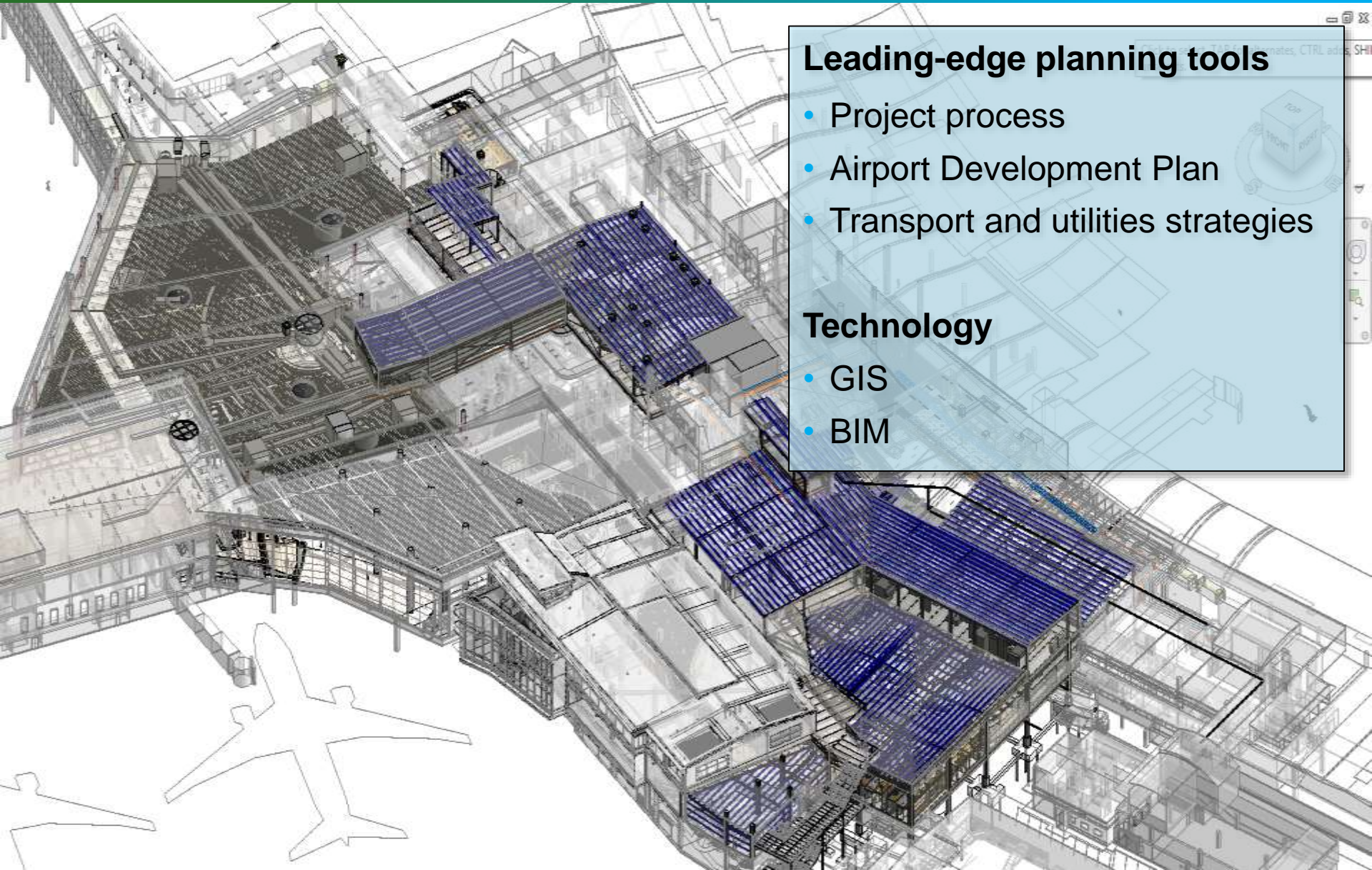
How? Our Development Platform

Leading-edge planning tools

- Project process
- Airport Development Plan
- Transport and utilities strategies

Technology

- GIS
- BIM



How? Our Team

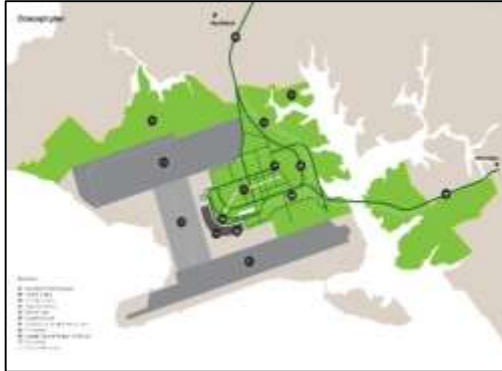
- Strong internal team with international experience
- International framework consultant panel



We do three things

- Development planning
- Statutory planning
- Delivery

building our vision
obtaining permissions
design and construction



Airport Masterplan

- Published 2014
- 30-year vision
- High-level view



Airport Development Plan

- Detailed 30-year plan
- Input to capital planning and pricing

Planning Studies

- Northern Runway
- Core Infrastructure
- Transport & Utilities Strategies

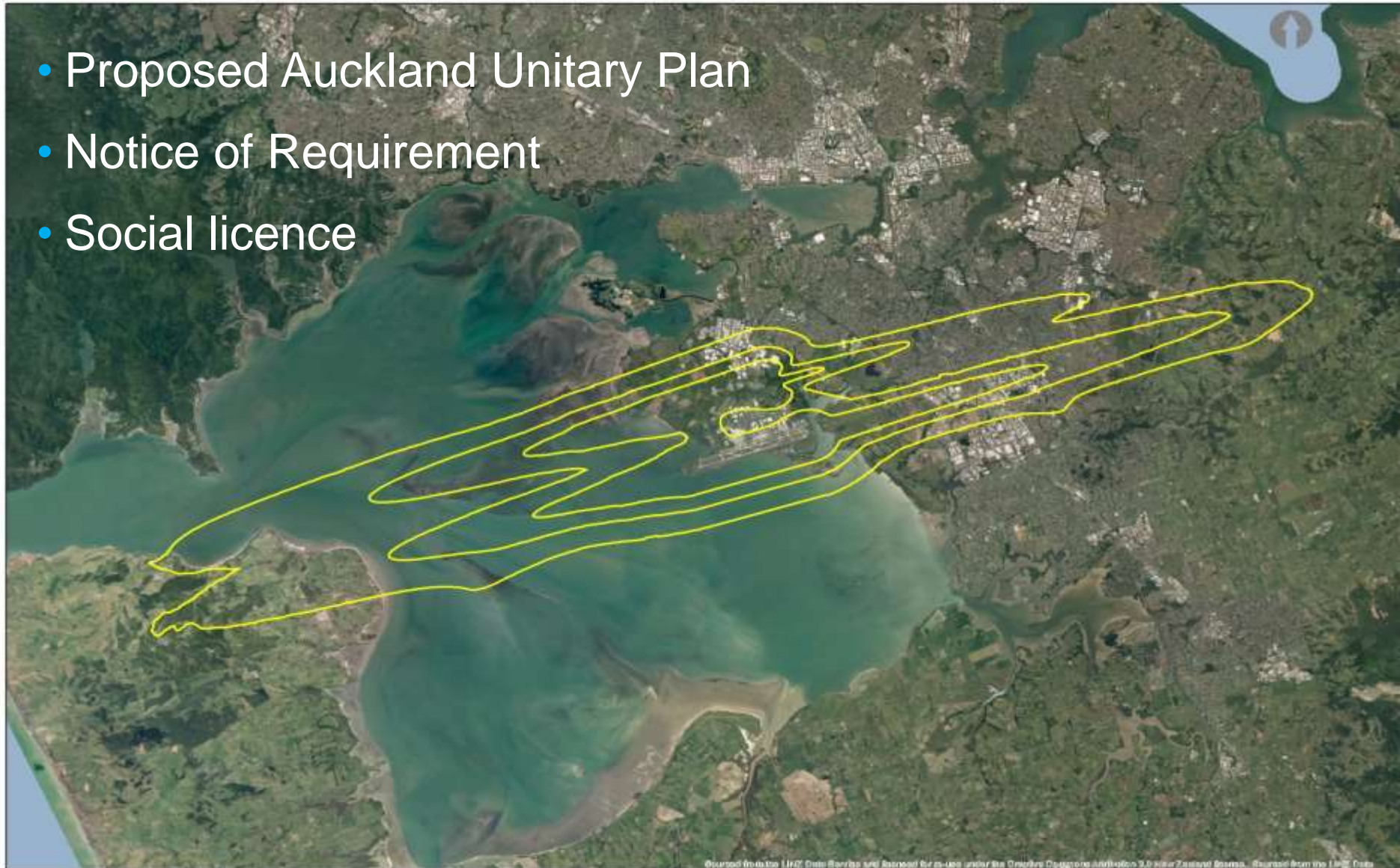


Programmes and Projects

- Individual project level
- Year-on-year plan

Statutory Planning

- Proposed Auckland Unitary Plan
- Notice of Requirement
- Social licence



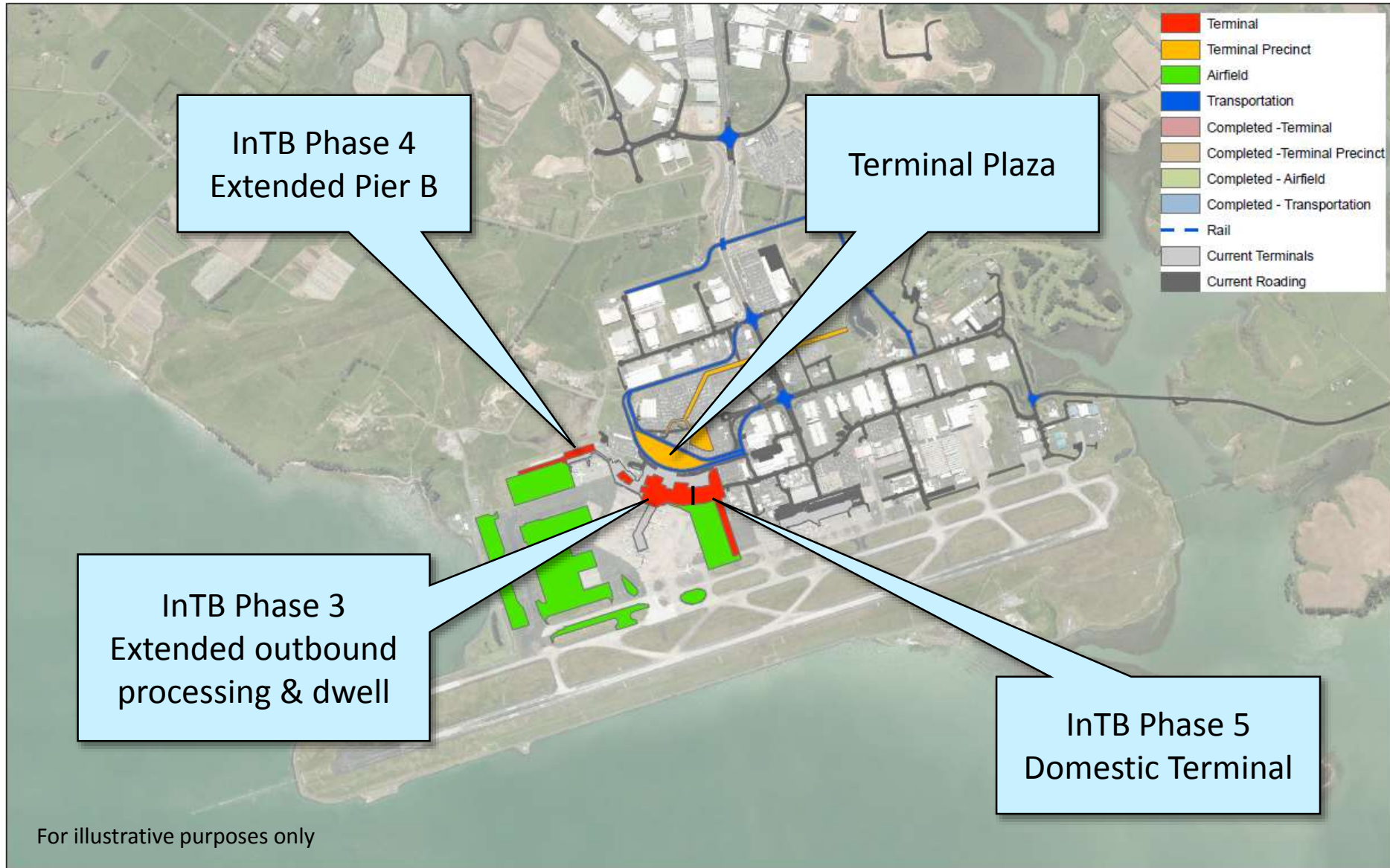
Delivery

Summary of key projects



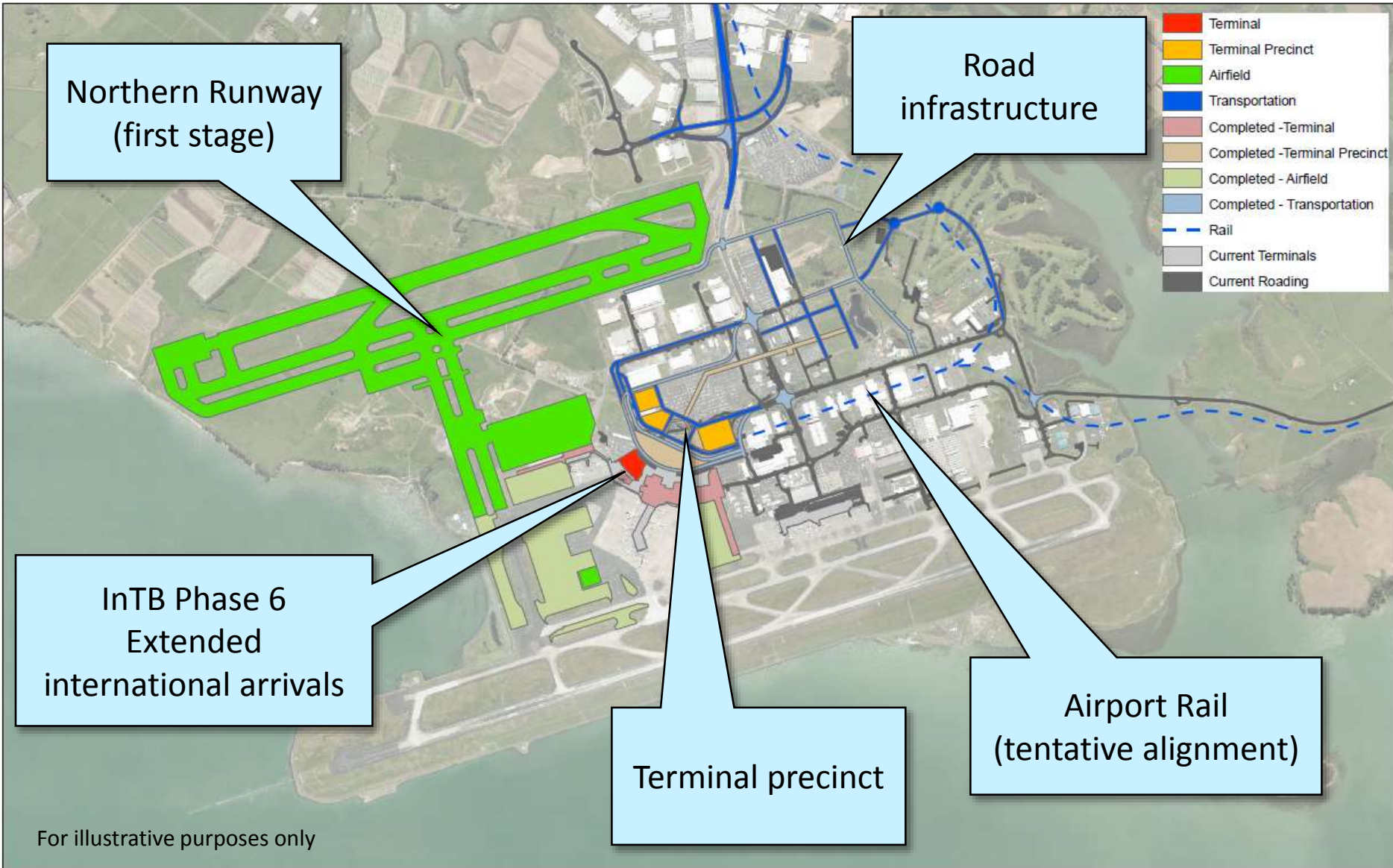
Delivery

Summary of key projects – to 2022



Delivery

Summary of key projects – to 2030



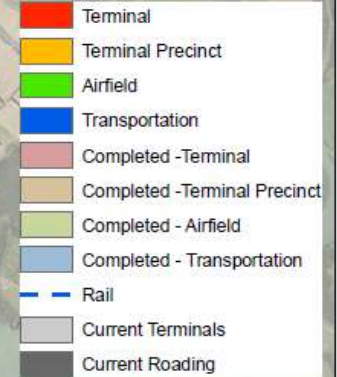
Delivery

Summary of key projects – to 2044

Developed road infrastructure

Extended International Terminal plus Pier C

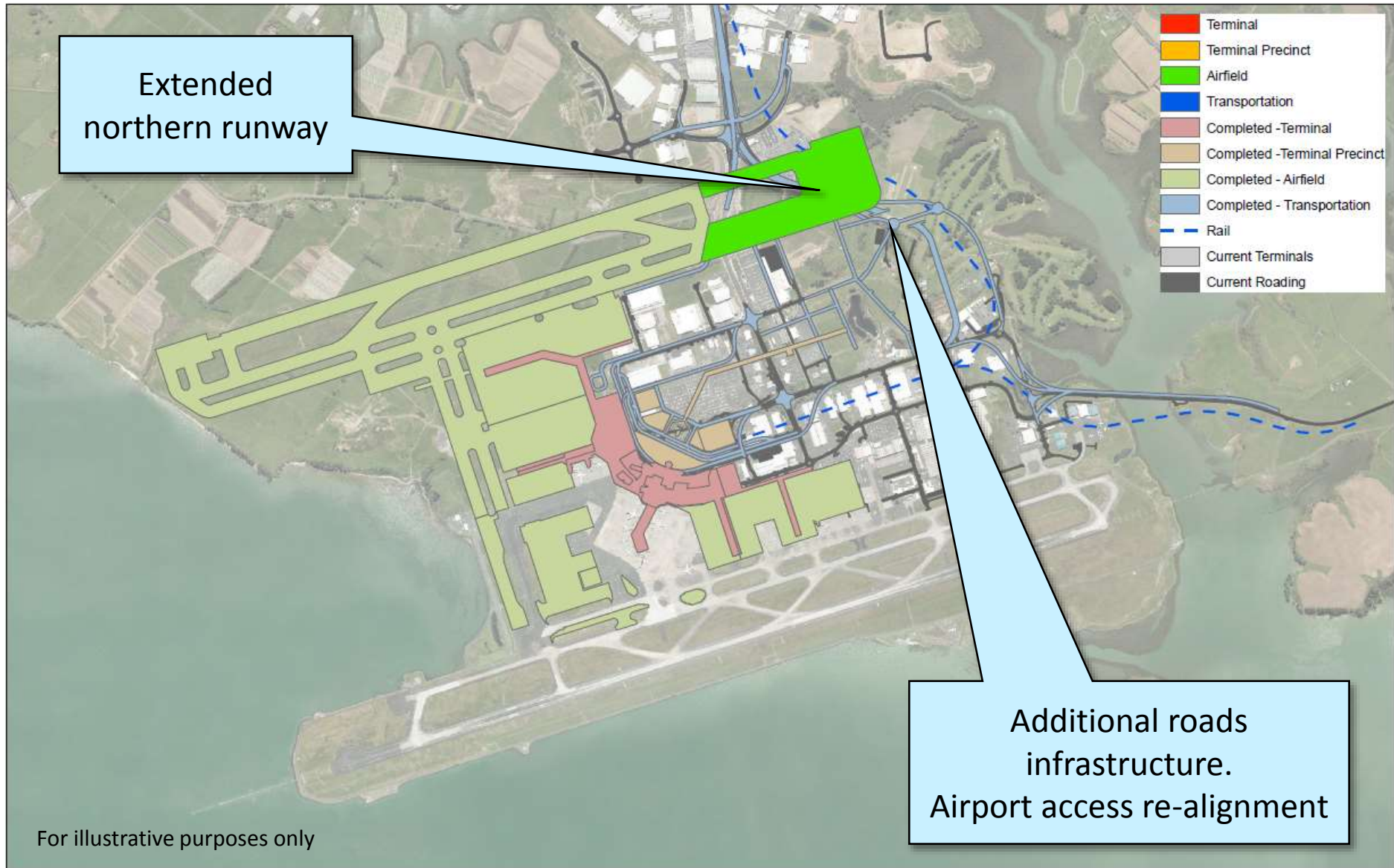
Extended domestic & regional capacity



For illustrative purposes only

Delivery

Summary of key projects – post 2044



For illustrative purposes only

Delivery

Our programmes

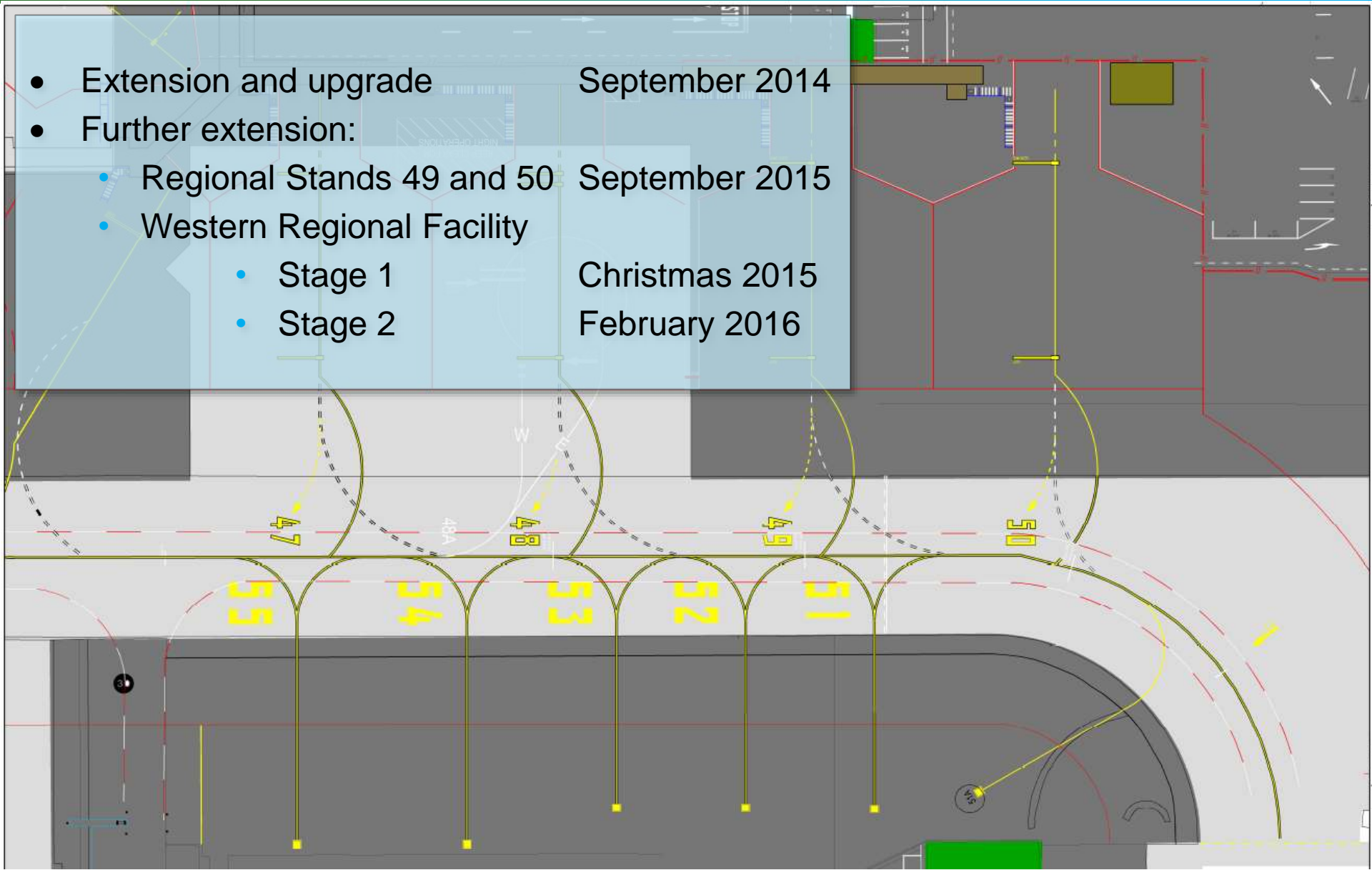
- Domestic Terminal
- Integrated Terminal
- Airfield
- Transport and utilities



Delivery

Existing Domestic Terminal

- Extension and upgrade September 2014
- Further extension:
 - Regional Stands 49 and 50 September 2015
 - Western Regional Facility
 - Stage 1 Christmas 2015
 - Stage 2 February 2016

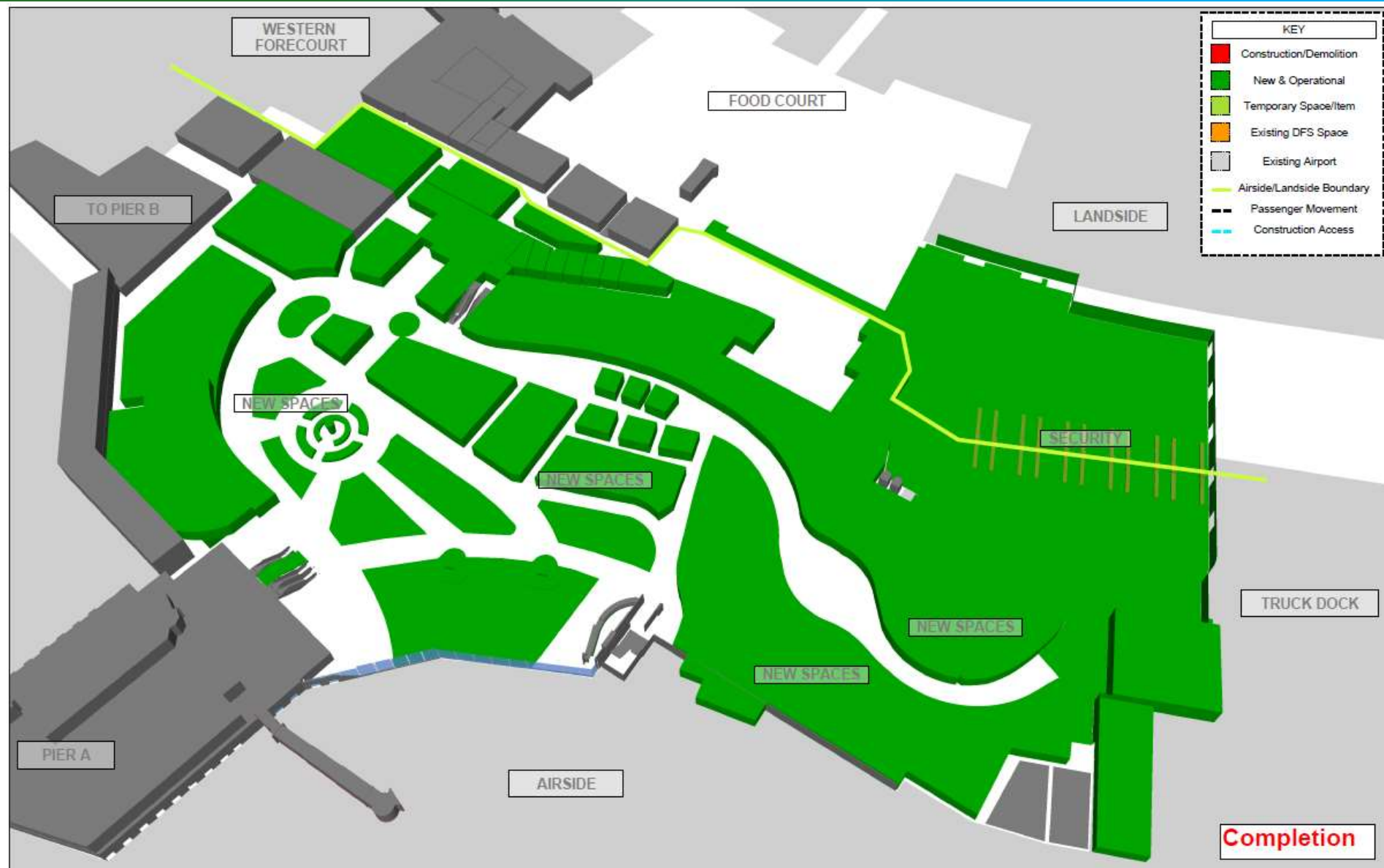


Built in phases, a combined domestic and international terminal

Phase 1.1 Phase 1.2	Additional Code F baggage belt Second additional Code F baggage belt	Complete Scheduled	November 2014 November 2015
Phase 2	Reconfigured inbound processing	Completed	November 2015
Phase 3	Expanded outbound processing and airside dwell area	Scheduled	December 2016 (stage 1) December 2017 (stage 2) March 2018 (stage 3)
Phase 4	Pier B, bus lounge, additional remote stand, new contact stands	Scheduled	December 2015 (bus lounge) December 2016 (stage 1) December 2017 (stage 2)
Phase 5	Domestic Terminal (first stage)	Tentative	June 2021

Delivery

Integrated terminal: Phase 3: Outbound processing and airside dwell



Delivery

Integrated terminal:

Phase 3: Outbound processing and airside dwell



Recompose area

Delivery

Integrated terminal:
Phase 3: Outbound processing and airside dwell



Airside dwell

Delivery

Integrated terminal:

Phase 3: Outbound processing and airside dwell



Gensler | Jasmax

Airside dwell – from mezzanine

Delivery

Integrated terminal – Phase 4 Expansion of Pier B

	Deliverables	Timing
	Bus Lounge, at ramp level	December 2015
Stage 1	- Pier extension to the west - Contact stand at gate 17 (MARS) - Remote stand 19 extended west	December 2016
Stage 2	- Pier extension to the north - Contact stand at gate 18 (MARS)	December 2017
Stage 3	- Contact stand at gate 19 (MARS)	TBD



Providing capacity to meet growth

- Aprons, stands and taxiways
- Fuel hydrants and support services
- Northern runway



Delivery

Airfield – Northern runway

Factors influencing runway capacity and timing

- Separation distances
- Peak spreading
- Up-gauging
- Fleet-mix
- Regulatory requirements

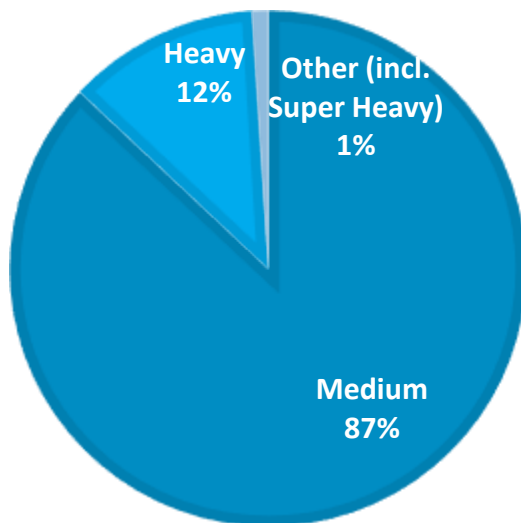
DKMA forecast update in 2017



- Design and staging based on comprehensive analysis
- Masterplan MACAD modelling by MIT
 - Existing runway has a capacity for 41-43 peak-hour movements
 - By comparison London Gatwick has 55 peak-hour capacity

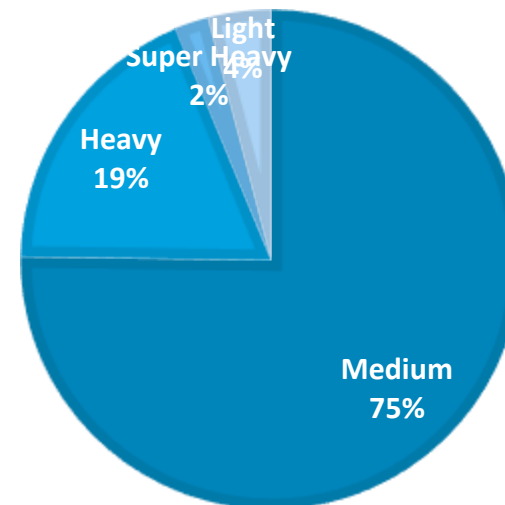
LGW AIRCRAFT MIX

■ Medium ■ Heavy ■ Other (incl. Super Heavy)



AKL AIRCRAFT MIX

■ Medium ■ Heavy ■ Super Heavy ■ Light



Transport Strategy

- Infrastructure development
- Modal shift
- Demand management



Delivery

Transport – Infrastructure development

Wider network improvements

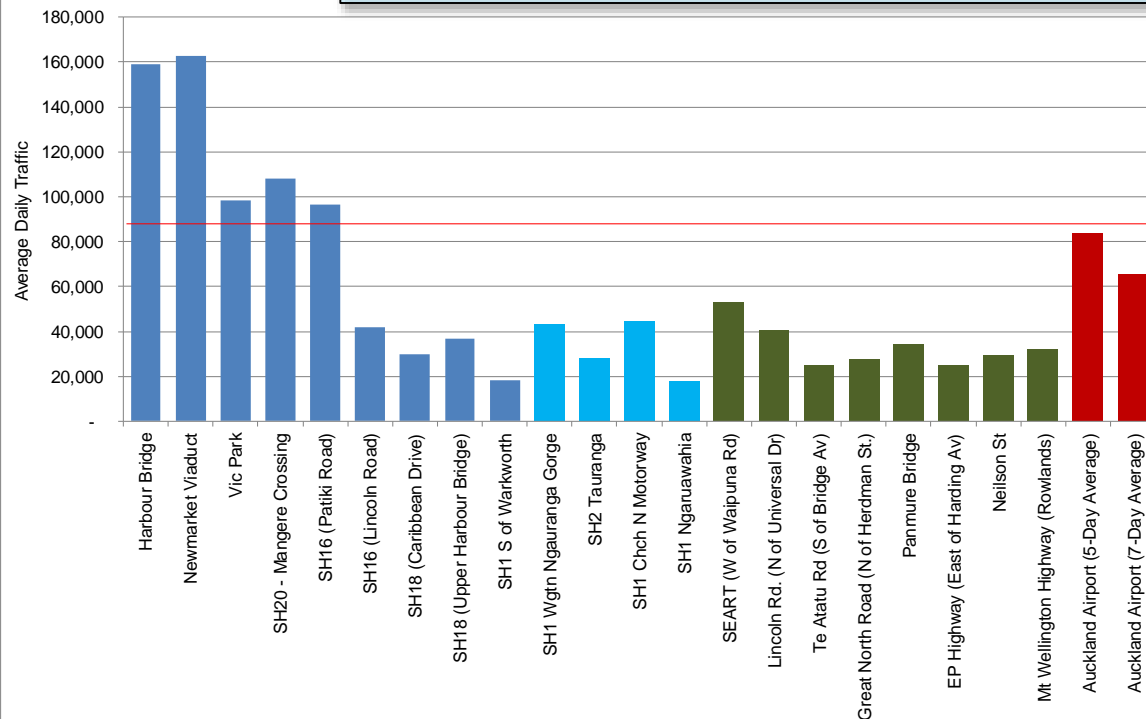
Close working relationship with Auckland Transport and New Zealand Transport Agency



Surface access to the Airport is primarily by private motor vehicle
Looking forward, Airport public transport capacity will increase:

- Greater network connectivity – buses & rail
- Rail to the airport

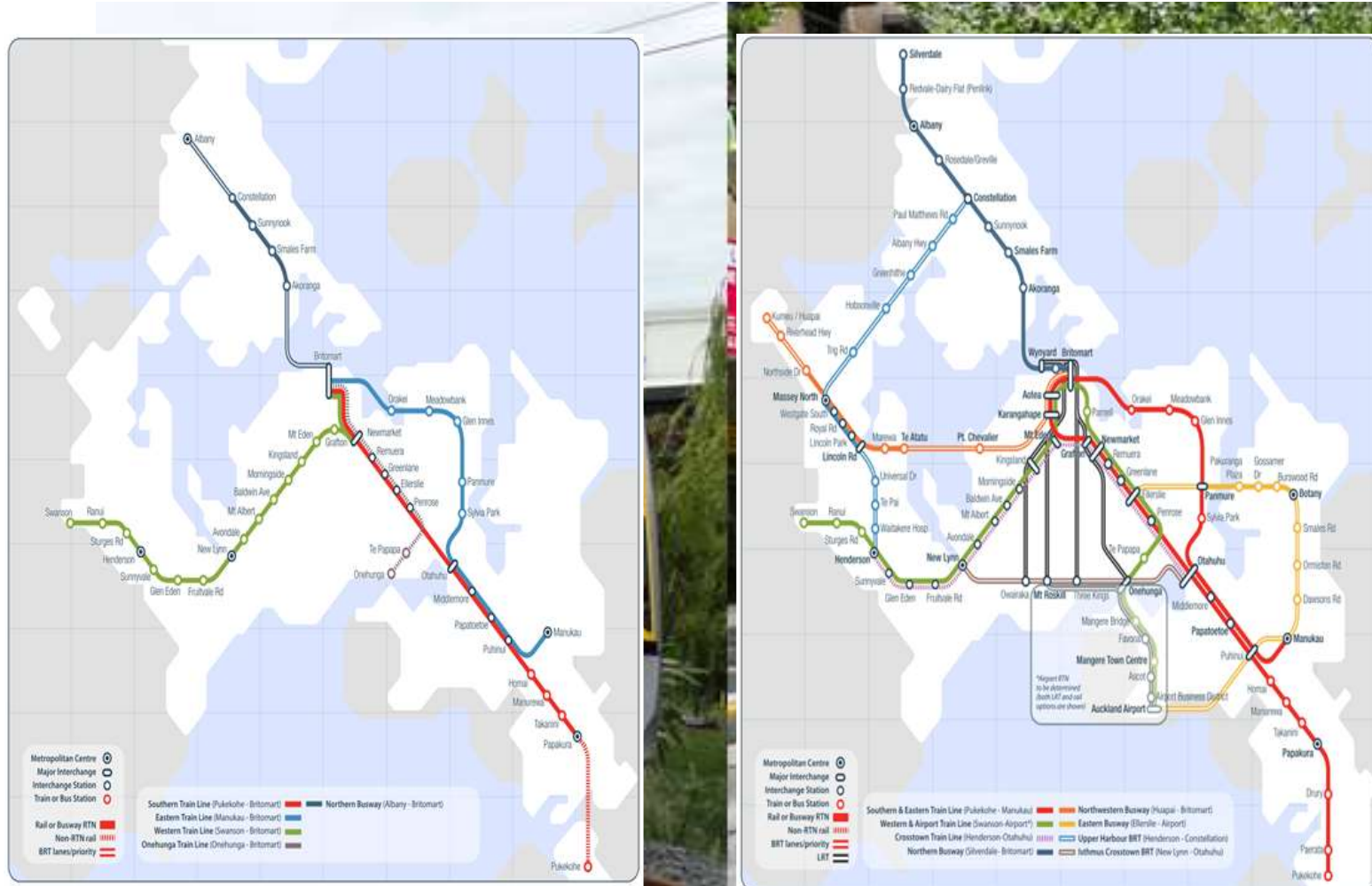
Provide passengers and workers choice and greater journey-time reliability.



Delivery

Transport – Modal shift

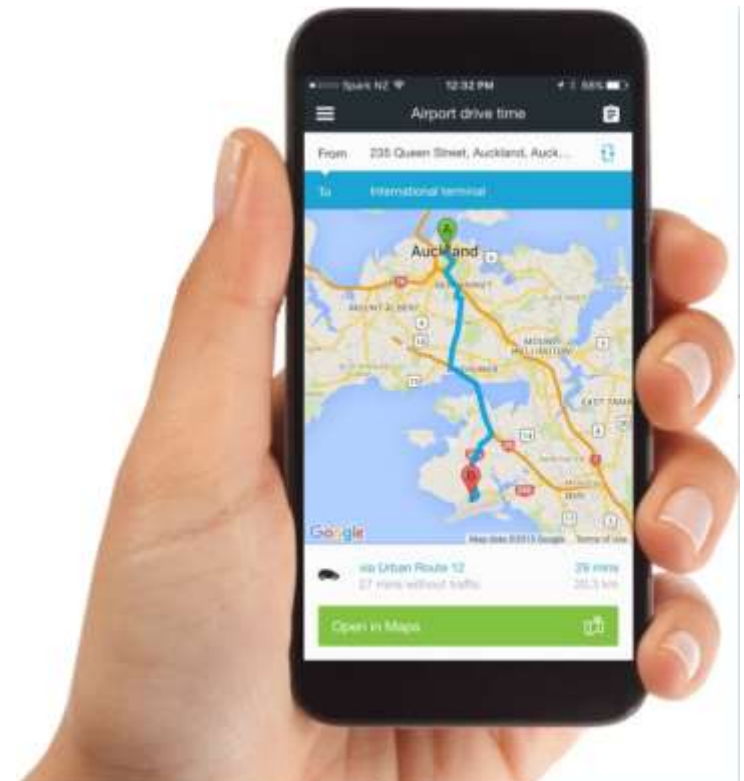
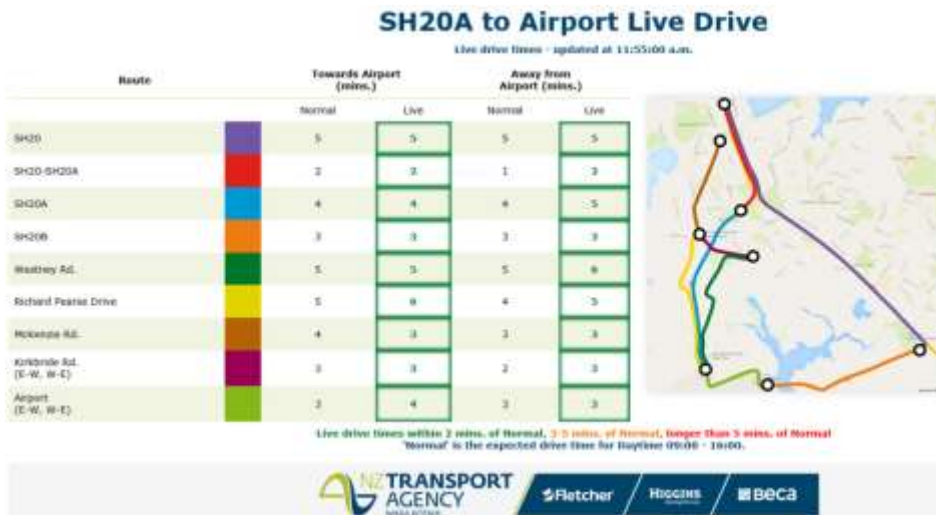
- Enhanced bus network – 2016
- Rail



Delivery

Transport – Demand management

- Advancing traffic management technology
- Better traffic information



Delivery

Transport – Demand management

Into the future...

- Road-user charging
- Transport-on-demand

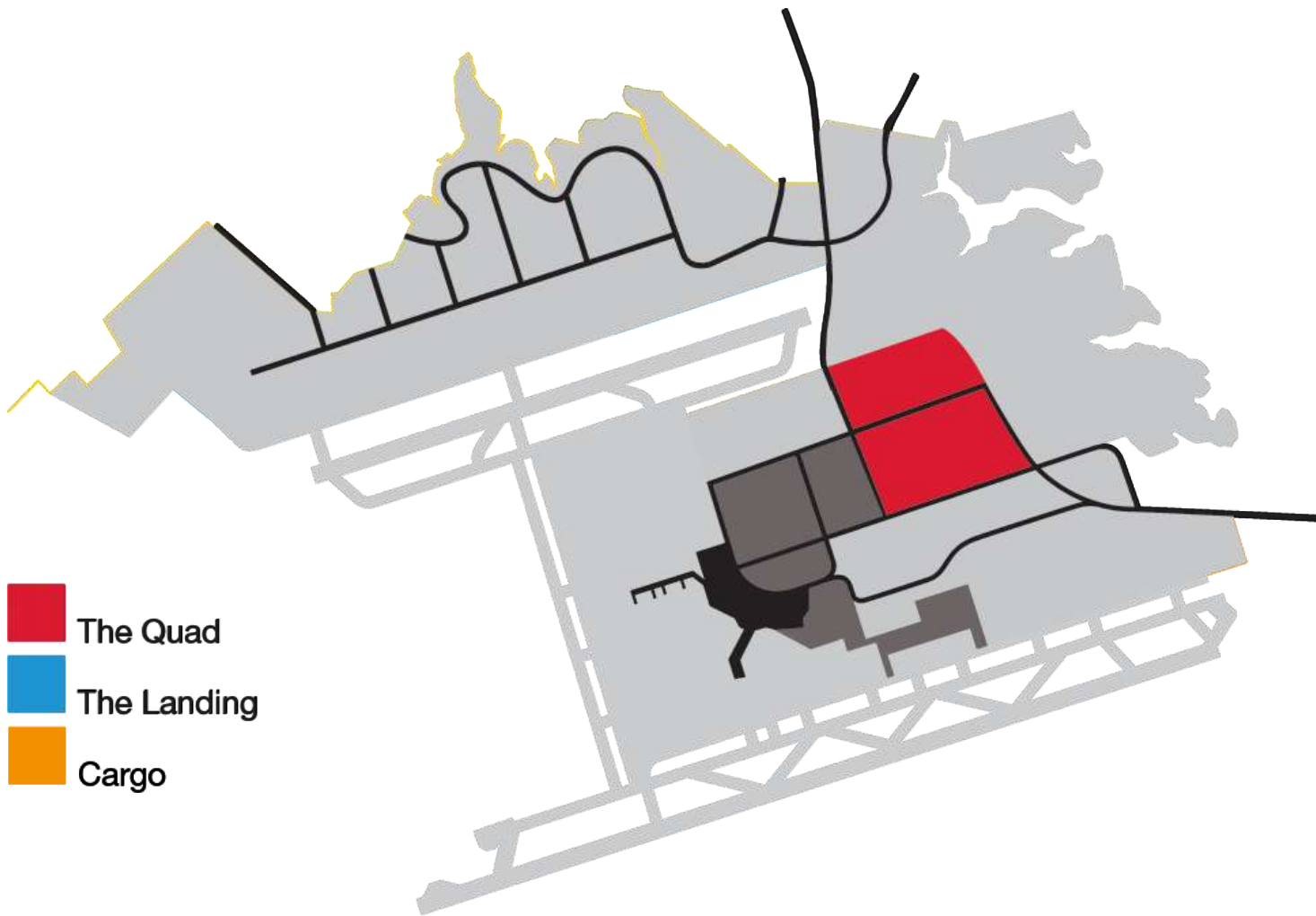


Property



- FY15 leasing and development success lifted rent roll >20%
 - Airport campus attracting quality customers
 - Hotel portfolio performing ahead of expectations
 - Excellent safety record
-
- Portfolio Value \$998M (includes \$235M of development land) – up 36% since 2013
 - Rent Roll \$56M – up 28% since June 2013
 - \$153M of income generating projects currently under construction
-
- Existing portfolio has negligible vacancy and healthy WALT
 - Short-term development outlook remains positive
 - Hotel 3 project advancing to project start in FY16

Precincts

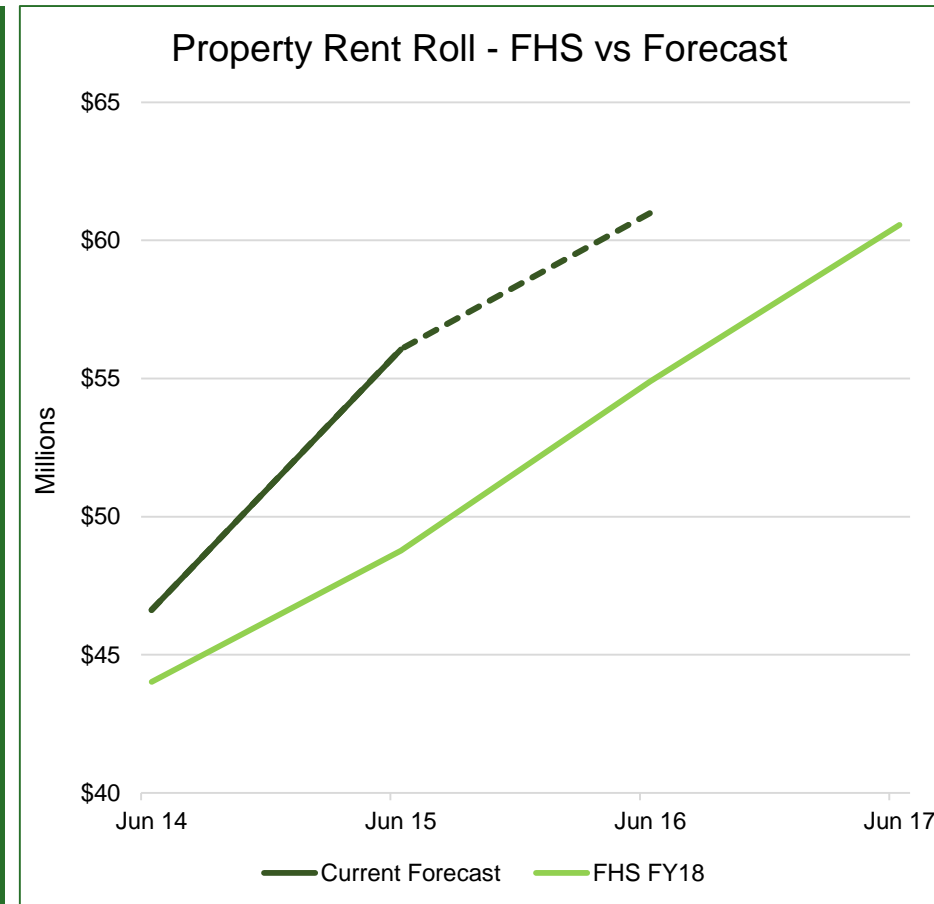


Faster Higher Stronger – 2013 Strategy

- Develop New Zealand's best business location
- 'Place' based strategy
- Capability, proposition, track-record
- \$60M rent roll by 2017

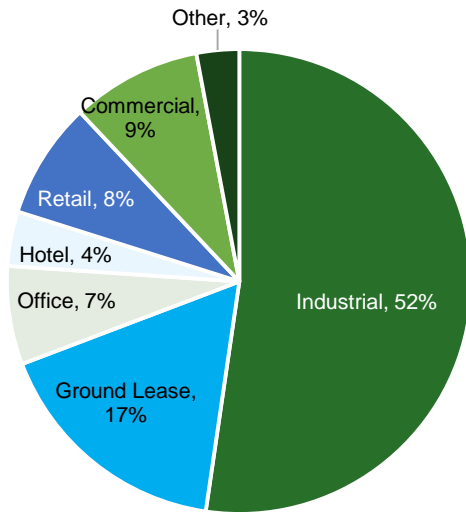
Faster Higher Stronger – Status

- 2013 aspirational goal was to lift rent roll to \$60M by 30 June 2017
On track to deliver in FY16
- FY15 was our best year ever
20% lift in rent roll
- All hotels performing ahead of expectations
Hotel 3 in advanced planning stage
- Airport increasingly a location of choice
- Development ready business
Well positioned for growth

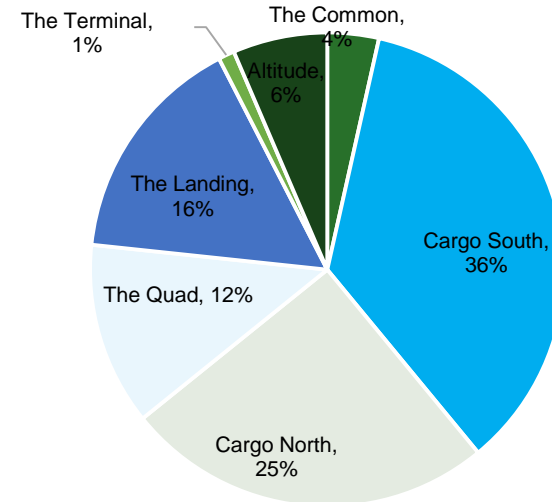


Portfolio Snapshot

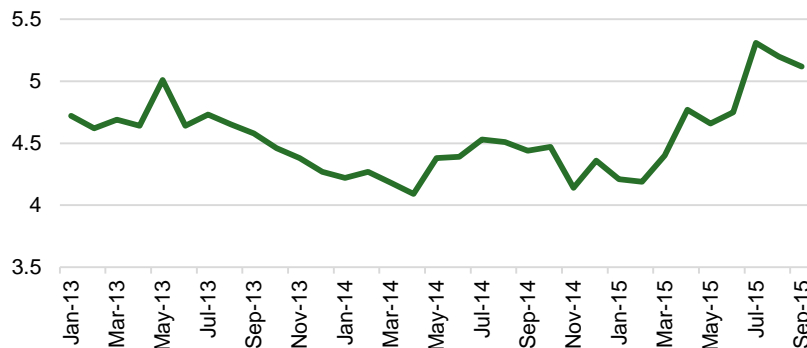
FY16 Revenue by Category



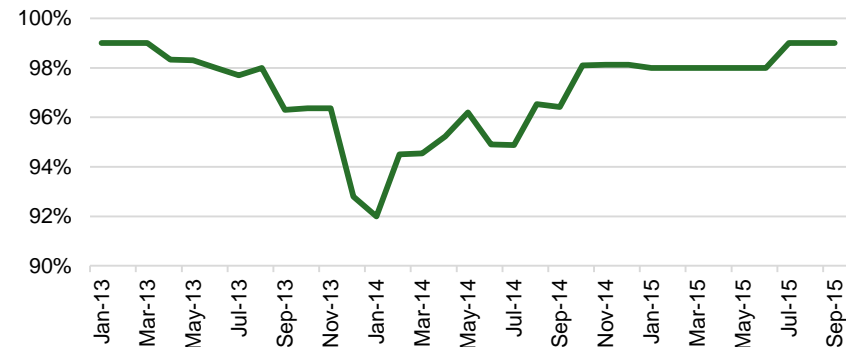
FY16 Revenue by Precinct



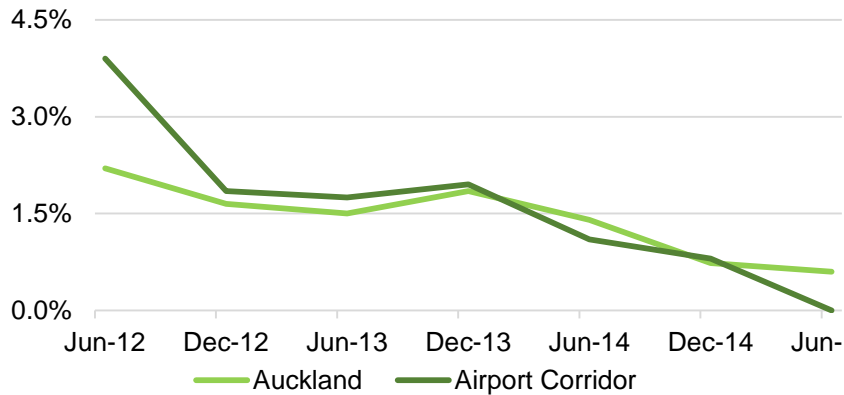
WALT



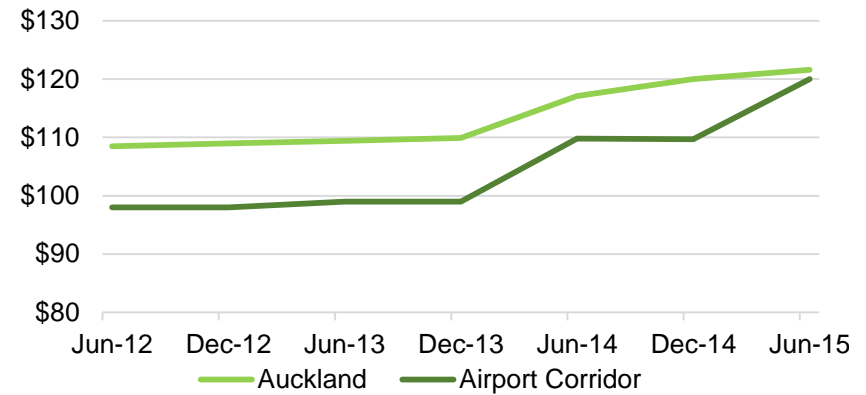
Occupancy



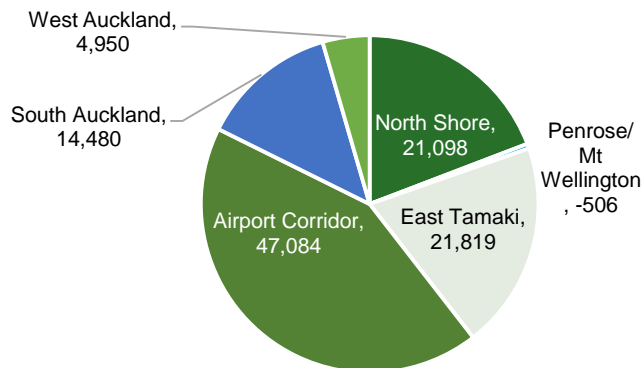
Grade A Auckland Industrial Vacancy



Prime Industrial Combined Net Effective Rents



Change in SQM of Auckland Industrial Stock: 6 months to June 2015



Auckland Airport expects to add a further 65,000m² of industrial stock to the market between June 2015 and February 2016

How do we compare?

Occupancy

Company	Occupancy
Property for Industry	100%
Vital Healthcare	99.4%
Stride Property	99.4%
AUCKLAND AIRPORT	99.3%
Argosy Property	98.8%
Precinct Properties	98.0%
Kiwi Income Property Trust	98.0%
NPT Ltd	97.0%
Goodman Property	96.0%
Augusta Capital	94.0%

WALT

Company	WALT (years)
Vital Healthcare	17.6
Stride Property	8.3
NPT Ltd	6.0
Augusta Capital	5.9
Property for Industry	5.3
Argosy Property	5.2
AUCKLAND AIRPORT	5.12
Kiwi Income Property Trust	5.1
Goodman Property	5.0
Precinct Properties	5.0

- NB: WALT impacted by several leases that are structured to facilitate airport redevelopment

The Landing Business Park



The Landing Business Park

World Class Asset

- Premium product
- Over 100ha of developable land

Development Momentum Building

- \$110M of new projects in FY16
- Quality tenants, long leases

Positive Outlook

- Sound development pipeline



The Landing – Capacity



The Landing – Projects under Construction



Speculative Building



- Low vacancy levels and strong demand
- \$40M of speculative industrial projects embarked upon in past 18 months
- 94% of projects leased prior to project completion
- Construction of \$13M four unit development in Timberly Place commencing in January 2016

The Quad Office Park



- Campus style office park
 - Office space 100% let
- Airport community epicentre
- Linking terminals via connecting boulevard and planned pedestrian bridge
- Quad 7 project underway
 - 8,500sqm grade A office space
 - Completes November 2016





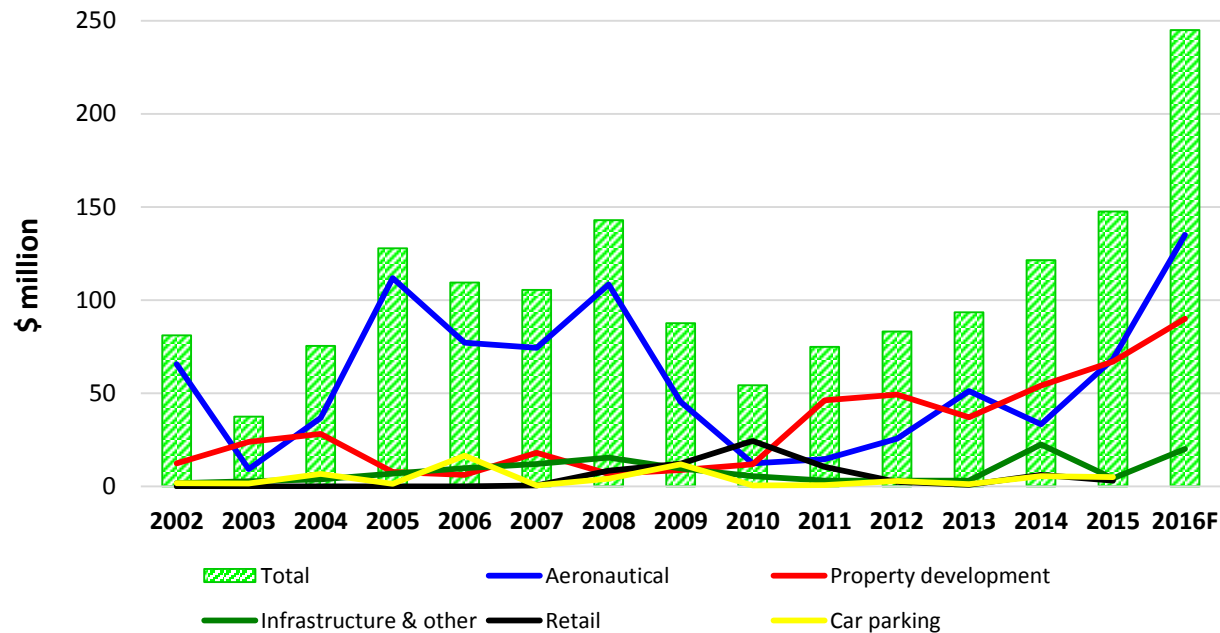
- Existing hotels performing strongly
- Novotel has stabilised occupancy at 87% with strong room rate growth
- Ibis budget expanded by 73 rooms in December 2014. Maintained occupancy at 89%, room rate up 5.4%
- Coherent suite of hotel products
- Planning advanced on hotel 3
 - Hotel operator RFP
 - Design to commence Q1 2016

Future Focus



- **Maintain high standard of safety performance**
- **Accelerating development programme**
- **Cement The Landing as NZ's premium business park**
- **Increase hotel capacity**

Auckland Airport Capex



Into phase of higher aeronautical and investment property capex. At midpoint FY16 guidance:

- **Total capex** 66% > next highest year (FY15) and 156% > average
- **Aero capex** 21% > next highest year (FY05) and 157% > average
- **IP capex** 17% > next highest year since 2002 (FY15) and 234% > average

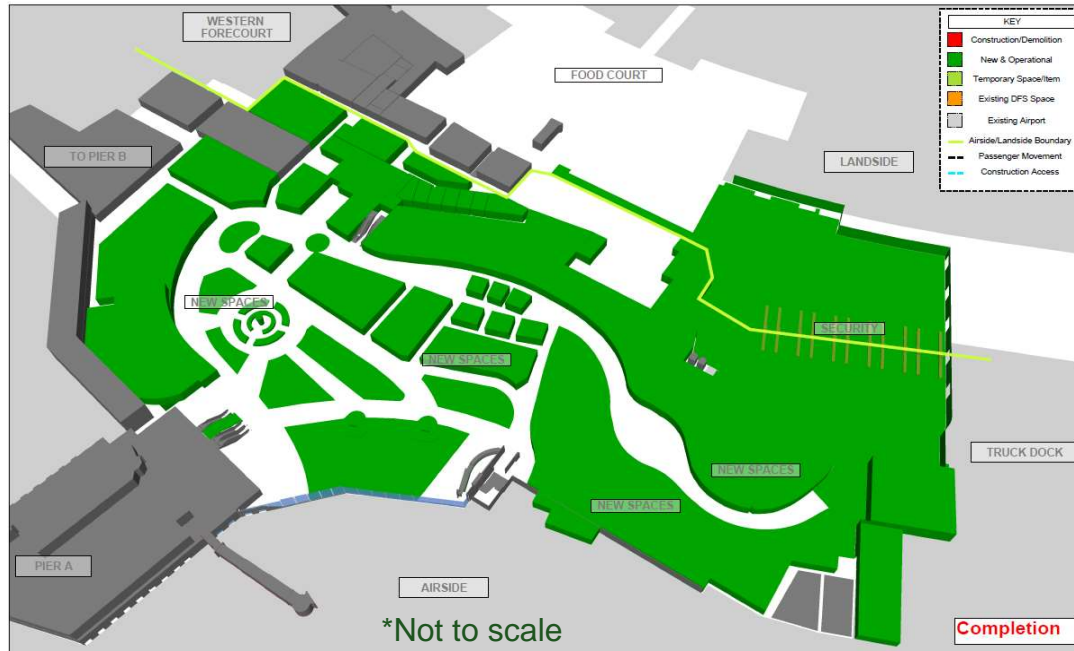
Individual projects:

- align with Faster Higher Stronger strategy
- business-cased
- must meet forecast return hurdles, eg:
 - investment property capex > corporate WACC / land + improvements ~ property peer group
 - aeronautical = regulatory WACC
- major aeronautical projects subject to consultation with airlines and BARNZ (stand-alone and via aero price path consultation)

Overall capex programme:

- Aeronautical programme delivers affordable aero price path
- Total company capex programme consistent with maintaining credit rating
- Annual capex programme achievable (project management, construction logistics, contractor availability)
- Seek long term company-wide procurement efficiencies (eg supply chain management)

Expanded outbound processing, airside dwell and retail project (Phase 3)



- Enabling works underway
- Project to be delivered in 3 phases (Dec 16, Dec 17, Mar 18)
- EFC - \$160-\$180m:
 - 50+ year building (may find surprises)
 - Possible design evolution (tenancies)
- More detail in late November / December
- Circa 60% aeronautical allocation

- Cost / M2 benchmarks favourably against previous AIAL & offshore terminal projects
- Complex brownfield site, disparate floor levels, heavy civil engineering within live, operationally critical passenger terminal
- Complex, staged tenancy relocations (airlines, border agencies, retailers)
- Resolves legacy structural issues to clear path for future expansion per Masterplan

Funding future investment

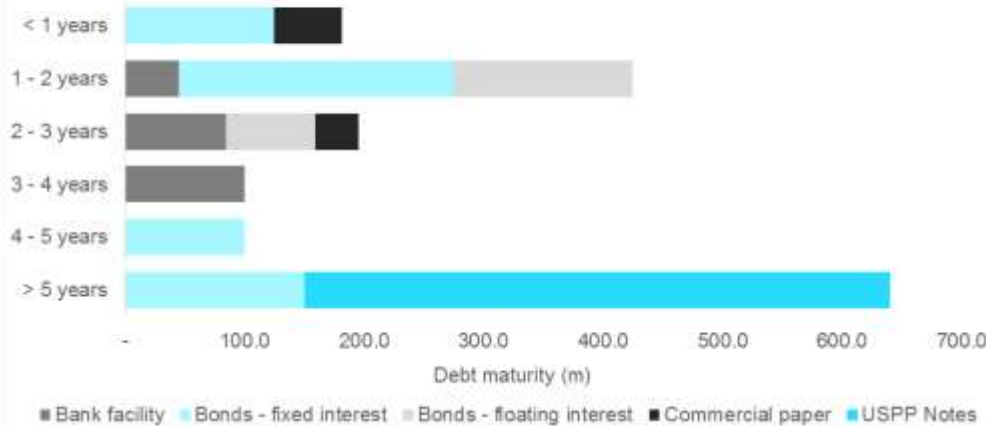
- Retained cashflow (depreciation)
- Debt:
 - First commercial paper or bank debt, then 'term-out' with:
 - Domestic bonds (wholesale, retail, floating rate, fixed rate) incl offshore institutional involvement (AIL exempt)
 - USPP
 - Reverse enquiry bonds (domestic and offshore)
- Equity – unlikely

Capital management:

- No foreseeable need to raise equity
- If forecast credit metrics again approach levels consistent with rating upgrade, another capital return may be considered
- In early FY17 we'll have detailed 10 year capital expenditure forecast for consultation on aero price path
- Capital management prospects will be considered only when we have clarity on 10 year capex plan and future regulatory settings

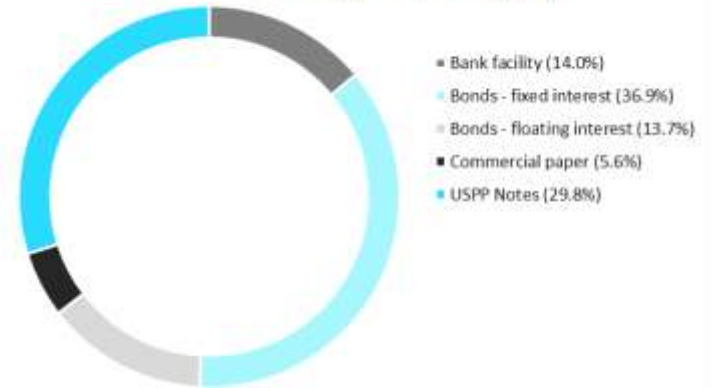
Auckland Airport Borrowings

Drawn debt maturity profile – update as at 30 October 2015



The ANZ, Westpac and BNZ standby facilities all support our commercial paper programme, which had a balance of \$92 million as at 30 October 2015, and provide liquidity support for general working capital. As the commercial paper is supported by the bank facilities, the debt maturity profile chart above, as at 30 October 2015, includes the commercial paper in the ‘less than one year’ and ‘two to three year’ brackets, matching the maturities of the supporting facilities

Drawn borrowings by category

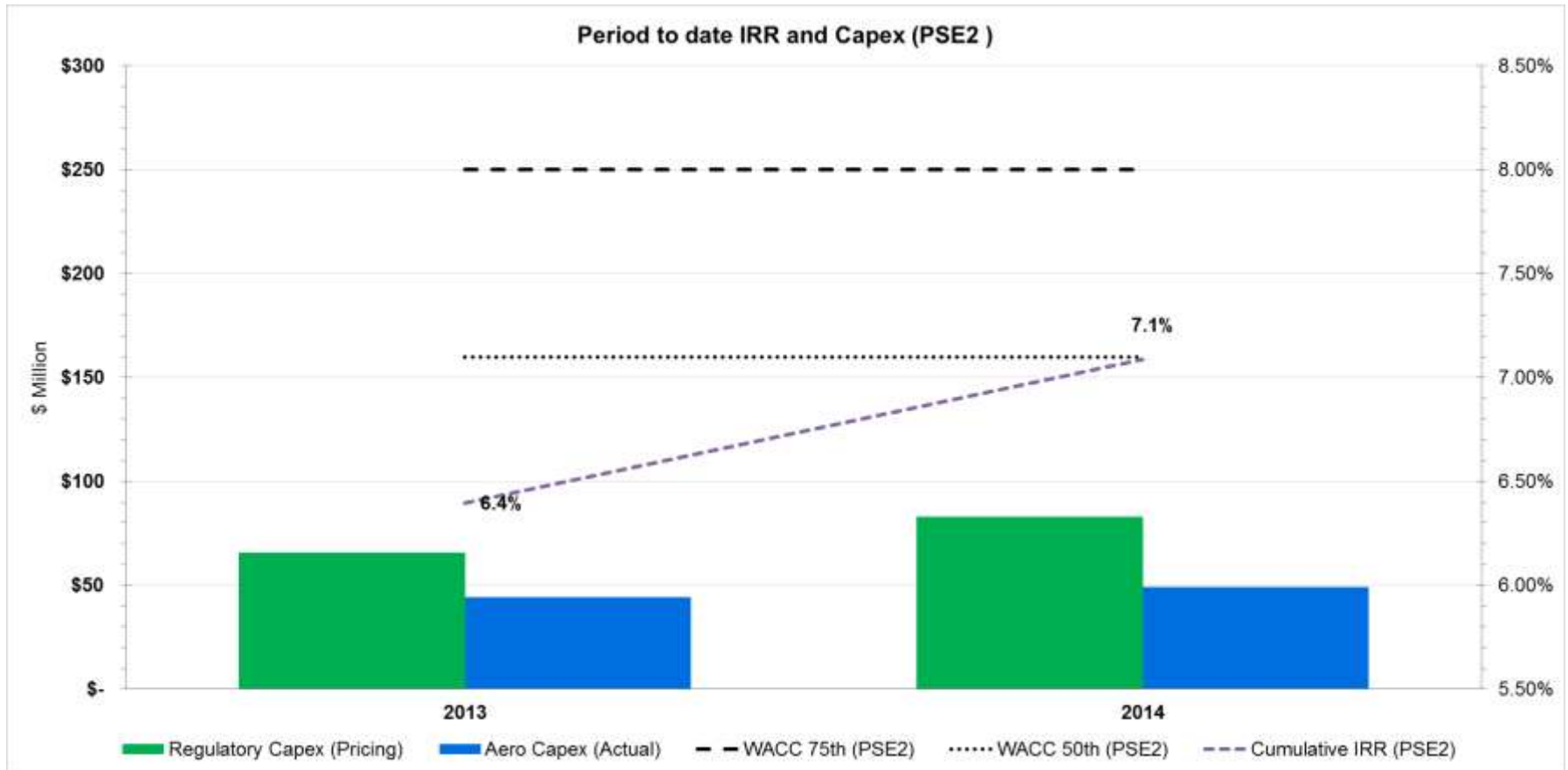


Upcoming debt facility maturities

Type	Maturity Date	Drawn Volume
NZD Bond	November 2015	\$100m
Wpac Facility	April 2016	Nil
BNZ Facility	April 2016	Nil
NZD Bond	August 2016	\$25m
NZD Bond	November 2016	\$130m
NZD Bond (FRN)	April 2017	\$150m
NZD Bond	October 2017	\$100m
BTMU facility	October 2017	\$45m

- Dual-till regime under the Commerce Act 1986 with information disclosure regulation
- Aeronautical till faces limited competition / subject to information disclosure regulation
- Airport Authorities Act 1966 provides for and requires:
 - Airports to set charges as they see fit
 - Consult on aeronautical charges at least every five years
 - Consult on capex decisions exceeding 20% of aeronautical asset base
- 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

PSE2 Aeronautical Returns



Figures above exclude revaluations

- FY15 outturn to be finalised and published end of November this year
- Entire PSE2 period IRR expected to be close to 75th percentile WACC target

- 'Input Methodology Review' underway (December 2016 completion)
- Key issues for AIAL:
 - WACC percentile
 - treatment of land held for future aeronautical use
 - risk apportionment (when under/over deliver versus forecast)
- Auckland Airport's FY18-22 aeronautical price path consultation with major airlines and representatives to begin early FY17, with the final pricing decision expected circa May 2017

