



Market Release | 26 October 2016

Auckland Airport launches retail bond offer

Auckland International Airport Limited (“**Auckland Airport**”) confirmed today that it is offering up to NZ\$100 million of seven year fixed rate bonds (with the ability to accept unlimited 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 of 1.40 per cent per annum area and the Bonds will mature on 2 November 2023. An announcement of the actual margin (which may be above or below the abovementioned indicative margin) and the interest rate on the Bonds will be made following the conclusion of the bookbuild process, which is expected to be on 28 October 2016. 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 BNZ and Westpac (as Joint Lead Managers), Commonwealth Bank of Australia and Forsyth Barr Limited (as Co-Managers), NZX participants, other approved financial intermediaries and institutional investors. The offer will close on 28 October 2016 following the completion of the bookbuild process.

Interested investors should contact the Joint Lead Managers, the Co-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

BNZ
0800 284 017

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

Commonwealth Bank of Australia
0800 272 633

Forsyth Barr Limited
0800 367 227

Market Release | 26 October 2016

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; and
- (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,

(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, AIAL 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

Joint Lead Managers

Co-Managers

For fixed rate bonds
due 2 November 2023

26 October 2016.



Institutional Bank



CommonwealthBank



FORSYTH BARR

Terms Sheet for fixed rate bonds

This Terms Sheet is prepared in respect of an offer by Auckland International Airport Limited (**Auckland Airport**) of up to NZ\$100,000,000 (with the ability to accept unlimited 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 19 October 2016 entered into between Auckland International Airport Limited and The New Zealand Guardian Trust Company Limited (**Trustee**) (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; and
- (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.

(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 26 October 2016

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	Bank of New Zealand and Westpac Banking Corporation (acting through its New Zealand branch) (ABN 33 007 457 141).	
Co-Managers	Commonwealth Bank of Australia (acting through its NZ branch) and Forsyth Barr Limited.	
Organising Participant	Bank of New Zealand.	
Credit Ratings	<p>Expected Long-Term Issue Credit Rating</p> <p>A- Standard & Poor's</p>	<p>Long-Term Issuer Credit Rating</p> <p>A- (stable) Standard & Poor's</p> <p>Further information about Standard & Poor's 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.</p>
Issue Amount	Up to NZ\$100,000,000, with the ability to accept unlimited oversubscriptions at Auckland Airport's discretion.	
Opening Date	Wednesday, 26 October 2016, immediately following release on the NZX Debt Market of the notice required by the FMC Regulations in connection with the offer.	
Closing Date	1.00pm on Friday, 28 October 2016.	
Rate Set Date	Friday, 28 October 2016.	
Issue Date and allotment date	Wednesday, 2 November 2016.	
Maturity Date	Thursday, 2 November 2023.	
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 Reuters page ICAPKIWISWAP2 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 is 1.40 per cent per annum area for the Bonds. The actual Margin for the Bonds, (which may be above or below the abovementioned indicative margin), 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	2 May and 2 November in each year until and including the Maturity Date.
First Interest Payment Date	2 May 2017.
Frequency of interest payments	Semi-annually (half annual amount) in arrears 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	Par (NZ\$1.00 per Bond, being the Principal Amount of each 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: AIA210). 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 3 November 2016.
Registrar	Link Market Services Limited.
ISIN	NZAIADT210L1.
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 Trustee 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 and the Co-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.

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

Bank of New Zealand

Level 6, 80 Queen Street
Auckland 1010

Commonwealth Bank of Australia

(acting through its New Zealand branch)
ASB North Wharf
12 Jellicoe Street
Auckland 1010

Forsyth Barr Limited

Level 23, Lumley Centre
88 Shortland 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, the Co-Managers and the Trustee 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 the 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 (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:

- to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- 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 relevant Joint Lead Manager or Joint Lead Manager(s) nominated by Auckland Airport for any such offer; or
- 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

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 Securities and Futures Act (Chapter 289 of Singapore) (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.

Switzerland

The Bonds shall not be publicly offered, sold, advertised, distributed or redistributed, directly or indirectly, in or from Switzerland, and neither this Terms Sheet nor any other solicitation for investments in the Bonds may be communicated, distributed or otherwise made available in Switzerland in any way that could constitute a public offering within the meaning of Articles 652a and 1156 of the Swiss Code of Obligations (**CO**) or of Article 3 of the Swiss Federal Act on Collective Investment Schemes (**CISA**) unless the legal and regulatory conditions imposed on a public offering under the CO or CISA are satisfied. This Terms Sheet does not constitute a public offering within the meaning of Articles 652a, respectively 1156, of the CO and of Article 5 of the CISA and may not comply with the information standards required thereunder, and in particular with the guidelines on informing investors about structured products as published in September 2014 by the Swiss Bankers Association, as applicable.

The Bonds do not constitute collective investments within the meaning of the CISA. Accordingly, holders of the Bonds do not benefit from protection under the CISA or from the supervision of the Swiss Financial Market Supervisory Authority. Investors are exposed to the default risk of the Issuer.

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, the Co-Managers and the Trustee for any loss suffered by any of them by reason of any breach of the selling restrictions contained in the above paragraph.



Seven Year Fixed Rate Bond
October 2016



A50YEARS

Delivering results
From 1966 - 2016

Philip Neutze
Chief Financial Officer

Stewart Reynolds
Manager, Business Intelligence

Campbell De Morgan
Treasury Specialist

Important Notice

2016

October NZDCM Presentation

Auckland International Airport Limited (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; and
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(together, Quoted Bonds) and therefore are the same 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 the risk premium for those bonds.

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 the 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 2016), unless otherwise indicated.

A Terms Sheet dated 26 October 2016 (Terms Sheet) has been prepared in respect of the offer of the Bonds. Investors should not purchase the Bonds until they have read the Terms Sheet. Investors should consider the risks that are associated with an investment in the Bonds, particularly with regard to their personal circumstances (including financial and tax issues).

The selling restrictions set out in the Terms Sheet shall apply to the Bonds.

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.

This presentation is dated 26 October 2016.

Agenda

2016

October NZDCM Presentation

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Key terms of the offer

2016

October 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\$100,000,000 with the ability to accept unlimited oversubscriptions at Auckland Airport’s discretion
Opening Date	Wednesday, 26 October 2016
Closing Date	1.00pm on Friday, 28 October 2016
Issue Date	Wednesday, 2 November 2016
Tenor	7 years
Maturity Date	Thursday, 2 November 2023
Interest Rate	The aggregate of the Base Rate and the Margin on 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
Indicative Issue Margin	The indicative margin is 1.40 per cent per annum area for the Bonds
Interest Payment Dates	2 May and 2 November 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	Bank of New Zealand and Westpac Banking Corporation (acting through its New Zealand branch) (ABN 33 007 457 141)
Co-Managers	Commonwealth Bank of Australia and Forsyth Barr
Registrar	Link Market Services Limited



Auckland Airport at a glance

2016

October NZDCM Presentation



17.3 million
annual passengers

91% share of long haul arrivals to New Zealand



26 international airlines announced

4 international freight airlines

44 international destinations

19 domestic destinations

229,000 tonnes of cargo each year

Auckland Airport in 2016



157,000+ flights each year

135+ international flights each day

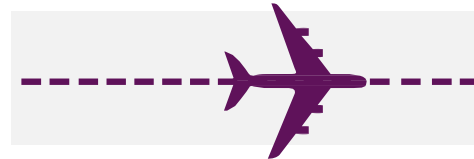
295+ domestic flights each day

74% share of international visitors to New Zealand

6.6% average annual passenger growth over 50 years



1,500
hectares of land



3,635
metres of runway



24 x 7 operation,
365 days a year



900+
businesses



20,000+
people working at
and around the airport

100+
shops, cafés
and restaurants

2 hotels



Company overview

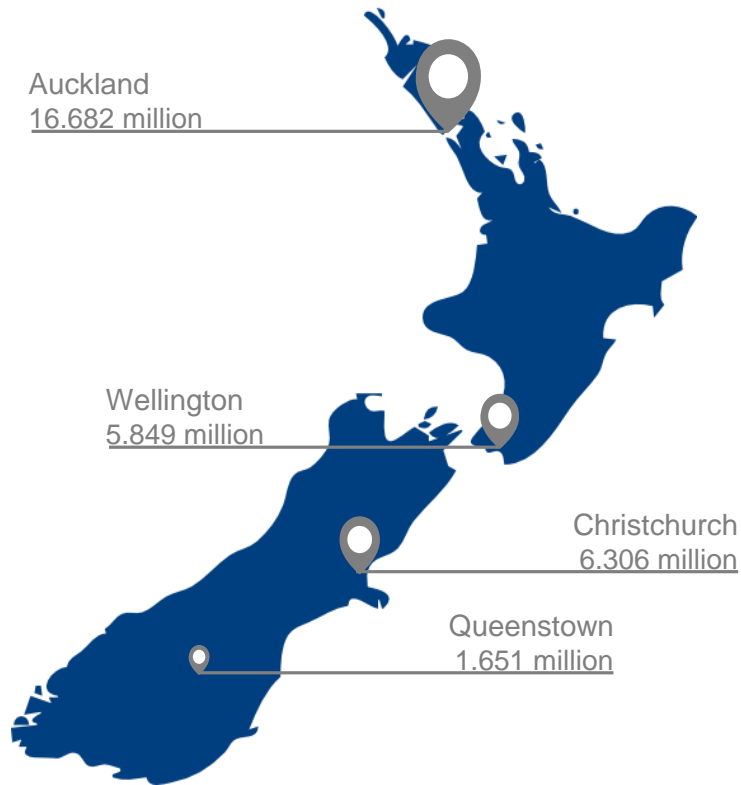


Auckland Airport is the busiest in New Zealand

2016

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New Zealand international airports by passenger numbers



- The largest airport in New Zealand
- ~74% of international passengers to New Zealand arrive or depart from Auckland Airport and 91% of total long haul arrivals
- Main commercial airport serving New Zealand's largest city with 157,000 aircraft movements a year
- No curfew for flights, operating 24 hours a day, 7 days a week
- It is one of New Zealand's most important infrastructure assets, and the largest NZX listed company with a market capitalisation of \$8.0bn²
- 1,500 hectares of freehold land on the Auckland isthmus (\$3.6 billion market value at 30 June 2016)
- Listed on the NZX and ASX

Passengers excluding transits in the year ended June 2016

Connecting New Zealand to the world

2016

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Auckland Airport connects New Zealand to 44 international destinations



Routes launched or announced based on single ticketed fares as at 13 October 2016

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

Regulatory environment

2016

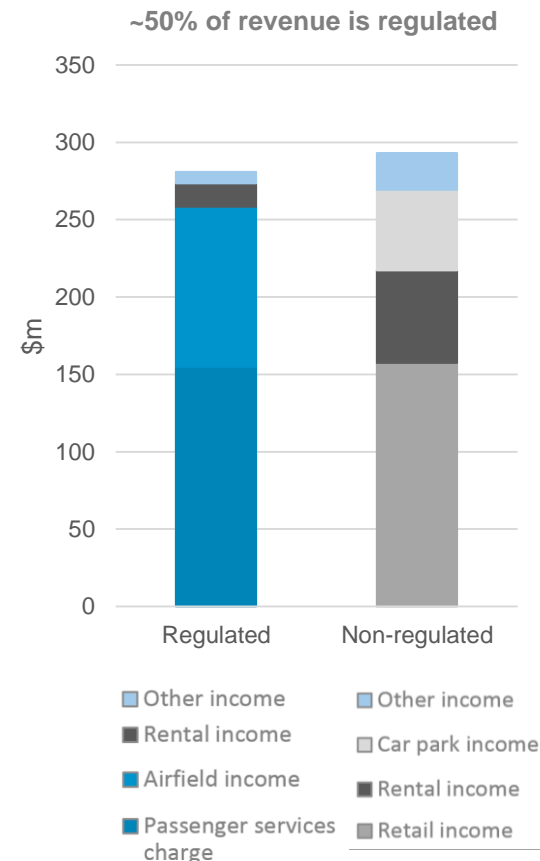
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Overview

- Dual-till regime, with the aeronautical segment (1st till) subject to information disclosure regulation under the Commerce Act 1986
- Disclosure regime includes monitoring of service standards, asset availability, capital expenditure plans, efficiency of pricing and return on investment
- Commerce Commission monitors information disclosure regime effectiveness

Ongoing Commerce Commission review

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

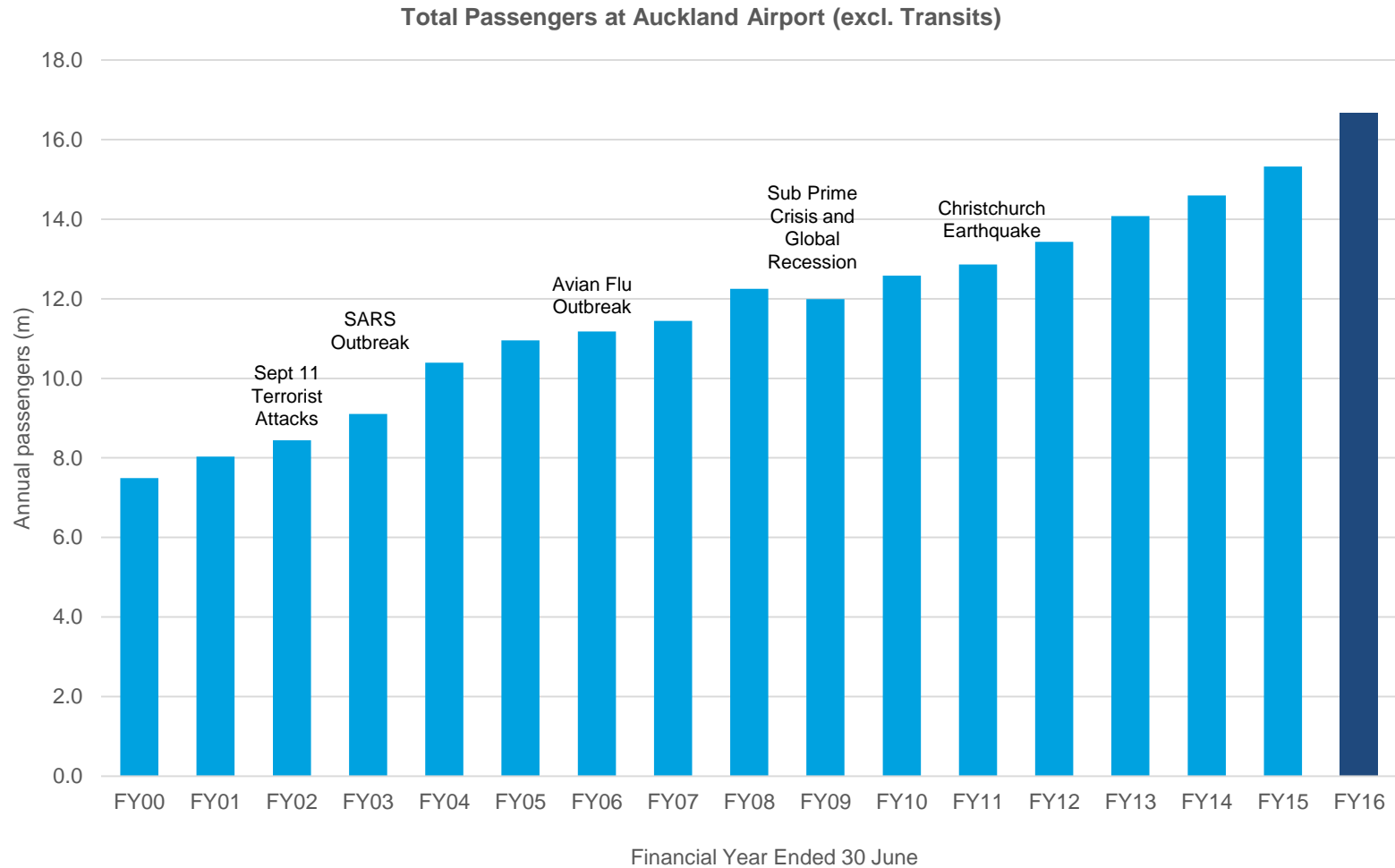


Proven passenger growth

2016

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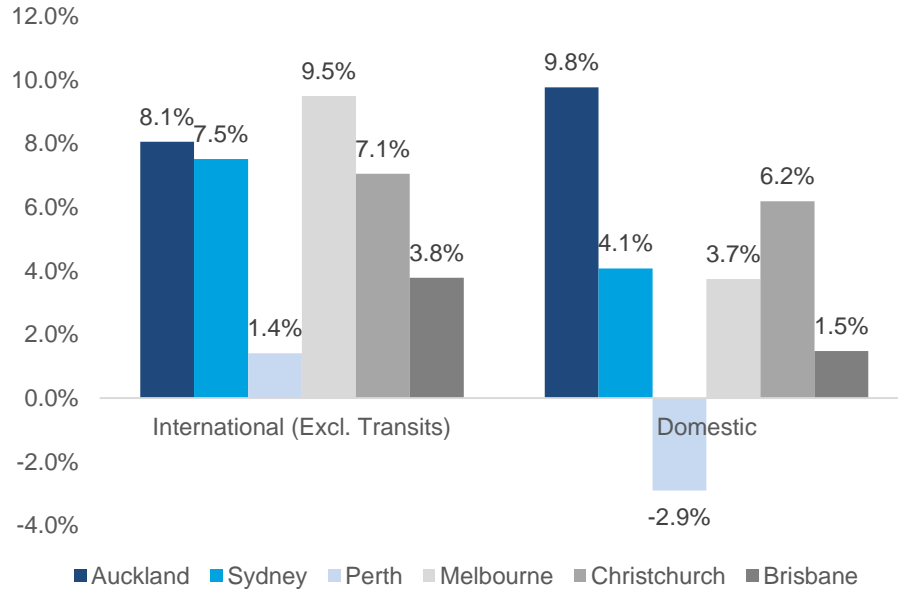


- Continued growth demonstrates resilience to global economic weakness and other external shocks

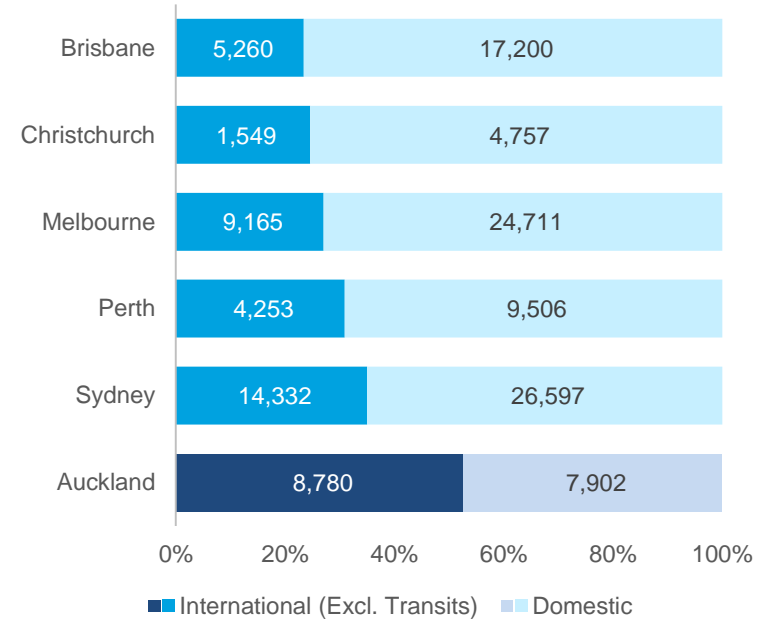


Compares favourably to Australasian airports

FY16 passenger growth rates %



International vs domestic passenger mix



- Auckland Airport experienced the highest total passenger growth of the main Australasian airports in FY16
 - highest rate of domestic passenger growth
 - second highest rate of international passenger growth
- Auckland Airport has the highest proportion of international passengers of all Australasian airports



Diverse business activities

2016

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Aeronautical Base

- ~50% of revenues come from aeronautical activities
- 8 new airlines announced and 15 new routes established in FY16
- Continued focus on route development



Diverse Retail Offering

- Significant and diverse retail offering
- Strong performance from Specialty and Destination categories – up 25% FY16
- Larger space in development will drive step change in retail over the next two years



Strong Carpark Growth

- ~10,000 parking spaces across a range of parking services from Valet to Park&Ride
- Increase to average revenue per space over FY16
- Increasing demand is driving further expansion



Extensive Investment Property

- Significant land holding of 1,500 hectares
- 9 hectares of development completed and a 12.3% increase in rent roll in FY16
- Momentum building for 2017, a number of significant developments underway



Hotel Occupancy Increasing

- Holds interest in two hotels at the airport
- Occupancy rates increased to 89%
- Design underway for a third hotel



Strong Associate Airport Performance

- Holds interest in two other airports
- Queenstown experienced an 18% increase in passenger numbers in 2016 with total aircraft movements up 7% on prior period
- NQA international passenger numbers increased by 24.4% in 2016

Strategy for our future



Our strategy

2016

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**Faster
Higher
Stronger**



Grow Travel Markets



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



Strengthen Our Consumer Business



Strengthen and extend our retail, transport and 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



Delivering on our ambitions

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

Aspirations:

How we tracked in FY16:



400,000

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

↑ 359,270

An increase of 66,835 in FY16



\$60m

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

↑ \$63m

An increase of \$7 million in FY16



10m

Achieve 10 million international passengers (excluding transits) by FY18, up from 7 million in FY13

↑ 9m

An increase of 0.7 million in FY16



20m

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

↑ 17.3m

An increase of 1.5 million in FY16

Investing for future growth

2016

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- Bold 30-year vision developed with international experts (www.airportofthefuture.co.nz)
- Vision based on a combined domestic and international terminal as well as an efficient, affordable and staged development path
- Work completed on the first two phases and well underway on phases 3-5:
 - Phase 1: Additional baggage belts
 - Phase 2: Reconfigured inbound processing
 - Phase 3: Expanded outbound processing and airside dwell areas
 - Phase 4: Pier B, bus lounge, remote and contact stands
 - Phase 5: Domestic Terminal (first stage)
- A significant period of investment is underway as we build to accommodate the ongoing growth in passengers, aircraft and businesses operating at the airport



Financial Information



Strong five year financial performance

2016

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For the year ended 30 June NZ\$m	2016	2015	2014	2013	2012	CAGR
Revenue	573.9	508.5	475.8	448.5	426.8	7.7%
Expenses	143.6	128.5	120.6	117.6	107.5	7.5%
Earnings before interest, taxation, depreciation, fair value adjustments and investments in associates (EBITDAFI)	430.3	380.0	355.2	330.9	319.3	7.7%
<i>EBITDAFI Margin</i>	<i>75.0%</i>	<i>74.7%</i>	<i>74.7%</i>	<i>73.8%</i>	<i>74.8%</i>	
Share of (loss) / profit from associates	(8.4)	12.5	11.6	9.9	9.2	n/a
Derivative fair value (decrease)/increase	(2.6)	(0.7)	0.6	1.5	(2.1)	n/a
Property, plant and equipment revaluation	(16.5)	(11.9)	4.1	-	-	n/a
Investment property revaluation	87.1	57.2	42.0	23.1	1.4	n/a
Depreciation expense	73.0	64.8	63.5	62.1	64.5	3.1%
Interest expense	79.1	86.0	68.2	66.7	69.0	3.5%
Taxation expense	75.4	62.8	65.9	58.6	52.0	9.7%
Reported net profit after tax	262.4	223.5	215.9	178.0	142.3	16.5%
Underlying profit after tax¹	212.7	176.4	169.9	153.8	139.0	11.2%

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

Summary balance sheet

2016

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

Credit metrics

2016

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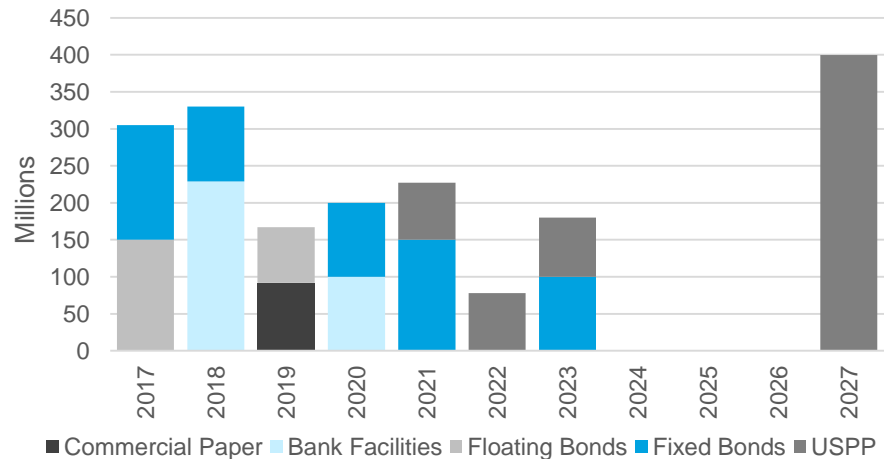
For the year ended 30 June	2016	2015	2014	2013	2012
Debt / debt + book value of equity	30.7%	33.8%	31.8%	29.0%	28.6%
Debt / debt + market value of equity	19.7%	22.5%	24.7%	22.8%	25.8%
Funds from operations / gross debt (S&P methodology)	16.7%	15.3%	16.0%	19.9%	19.3%
Funds from operations interest cover	4.6x	3.9x	4.5x	4.2x	3.9x
Weighted average interest cost (12 months to 30 June)	5.1%	5.8%	6.0%	6.2%	6.5%
Average debt maturity profile (years)	4.3	4.9	3.2	4.2	4.5
Percentage of fixed borrowings	49%	50%	59%	66%	66%

- Growth in the debt book has been mirrored by the increasing asset base of the company
 - book leverage has only increased 2.1%
- Average interest cost fell to 5.1% following successful refinancing at lower rates, rebalancing towards floating rate exposure and the decline in base rates during the year
- Credit rating is A-
- Balance sheet capacity for capital expenditure uplift

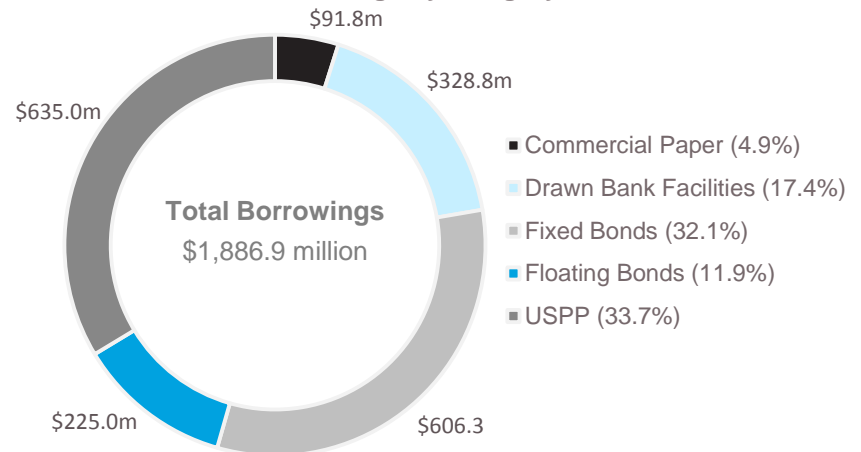
Funding

- Auckland Airport sources debt funding from a variety of markets and maintains a wide range of debt maturities
- Weighted average maturity of existing facilities of 4.3 years
- Committed headroom of \$280 million at 30 June
- Auckland Airport continues to target an A- credit rating
- Auckland Airport remains committed to dividend policy of paying ~100% of underlying NPAT
- Targeting \$500 million debt raisings in FY17
- This will refinance \$305 million of maturing debt and \$195 million of growth capital expenditure

Debt maturity profile as at 30 June 2016



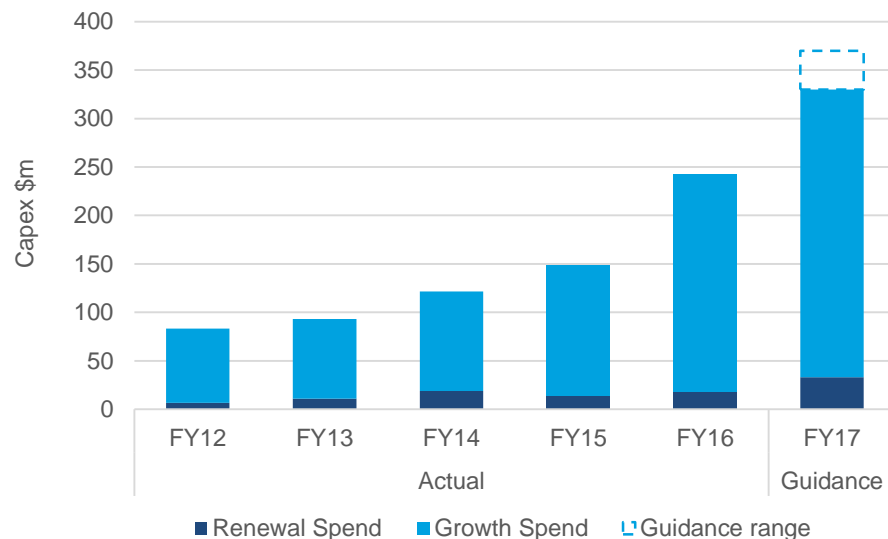
Drawn borrowings by category as at 30 June 2016



Capital expenditure

2016

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

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

Outlook



Guidance

- Ongoing strong growth and performance means that we are confident that the Company will again deliver strong financial results in the next 12 months
- We expect total capital expenditure of between \$330 million and \$370 million in FY17, including approximately \$232 million of aeronautical projects
- We expect underlying net profit after tax (excluding any fair value changes and other one-off items) in FY17 to be between \$230 million and \$240 million
- This guidance is subject to any material adverse events, significant one-off expenses, non-cash fair value changes to property and deterioration due to global market conditions or other unforeseeable circumstances

Supportive macro environment

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

Contact details

2016

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Debt investor inquiries

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Treasury Specialist

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Questions



Appendices



Significant land holdings

2016

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

Strong revenue growth across the business

2016

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Revenue by segment

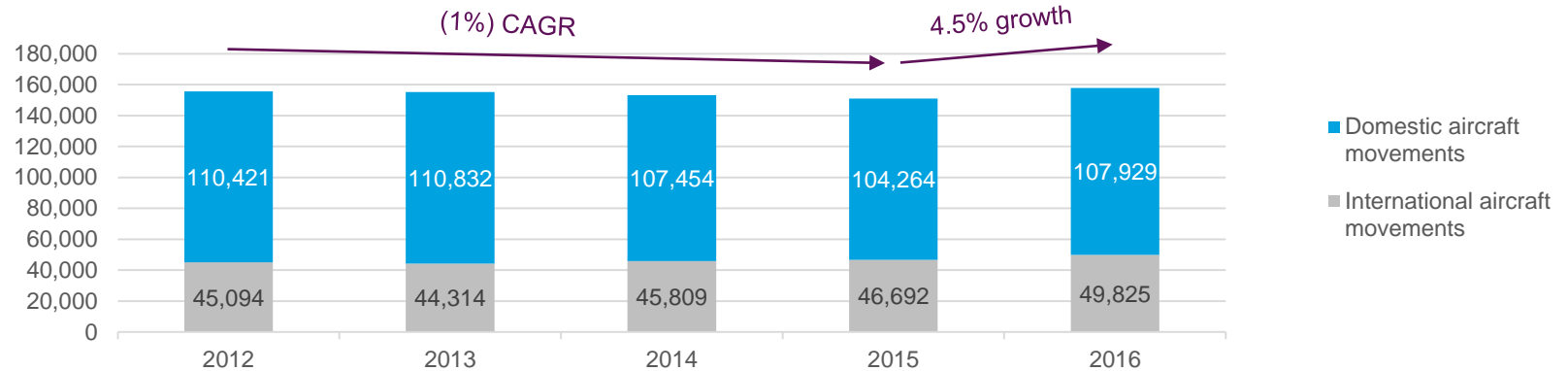
For the year ended 30 June \$m	2016	2015	2014	2013	2012	CAGR
Airfield income	103.4	93.3	87.6	81.6	77.3	7.5%
Passenger services charge	154.9	140.9	131.5	120.2	83.1	16.8%
Terminal services charge	-	-	-	-	28.6	n/a
Retail income	157.5	132.0	127.1	124.3	120.8	6.9%
Car park income	52.1	46.6	42.8	40.4	36.6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

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

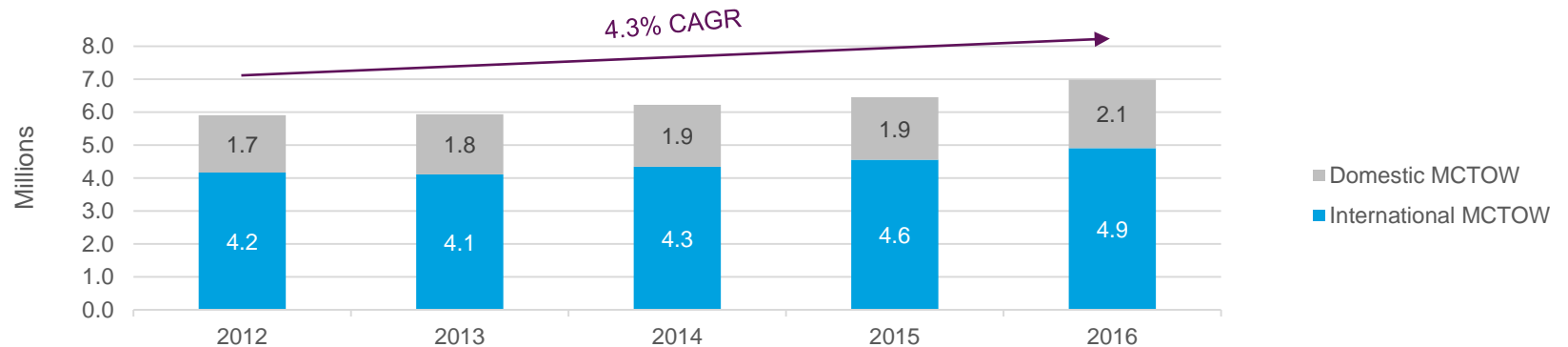


Runway movements growing

Aircraft movements



MCTOW



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



