

Parking

# Investment Statement

For an offer of fixed rate bonds

Auckland International Airport Limited  
29 September 2011

5 Property

4 Retail

58 Aeronautical

**bnz**  
Lead Manager and  
Organising Participant

**CRAIGS**  
INVESTMENT PARTNERS  
Co-Manager

**A** | Auckland  
Airport

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This is an Investment Statement for the purposes of the Securities Act 1978 and is dated and has been prepared as at 29 September 2011. It is an important document and should be read in its entirety.

# Important information

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(The information in this section is required under the Securities Act 1978)

Investment decisions are very important. They often have long-term consequences. Read all documents carefully. Ask questions. Seek advice before committing yourself.

## Choosing an investment

When deciding whether to invest, consider carefully the answers to the following questions that can be found on the pages noted below:

What sort of investment is this?	P.13
Who is involved in providing it for me?	P.14
How much do I pay?	P.15
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In addition to the information contained in this document, important information can be found in the current registered prospectus for the investment. You are entitled to a copy of that prospectus on request.

## The Financial Markets Authority regulates conduct in financial markets

The Financial Markets Authority regulates conduct in New Zealand's financial markets. The Financial Markets Authority's main objective is to promote and facilitate the development of fair, efficient and transparent financial markets. For more information about investing, go to [www.fma.govt.nz](http://www.fma.govt.nz).

## Financial advisers can help you make investment decisions

Using a financial adviser cannot prevent you from losing money, but it should be able to help you make better investment decisions.

Financial advisers are regulated by the Financial Markets Authority to varying levels, depending on the type of adviser and the nature of the services they provide. Some financial advisers are only allowed to provide advice on a limited range of products.

When seeking or receiving financial advice, you should check:

- the type of adviser you are dealing with;
- the services the adviser can provide you with; and
- the products the adviser can advise you on.

A financial adviser who provides you with personalised financial adviser services may be required to give you a disclosure statement covering these and other matters. You should ask your adviser about how he or she is paid and any conflicts of interest he or she may have.

Financial advisers must have a complaints process in place and they, or the financial services provider they work for, must belong to a dispute resolution scheme if they provide services to retail clients. So if there is a dispute over an investment, you can ask someone independent to resolve it.

Most financial advisers, or the financial services provider they work for, must also be registered on the financial service providers register. You can search for information about registered financial service providers at [www.fspr.govt.nz](http://www.fspr.govt.nz).

You can also complain to the Financial Markets Authority if you have concerns about the behaviour of a financial adviser.

# Part 1 – Important notice

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The purpose of this Investment Statement is to provide certain key information that is likely to assist a prudent but non-expert person to decide whether or not to subscribe for the Bonds.

## Other important information

Investors should note that other important information about the Bonds and the Offer is available in the registered Prospectus and in the Trust Documents. Copies of the registered Prospectus may be obtained free of charge from:

Link Market Services Limited  
Level 16  
Brookfields House  
19 Victoria Street West  
Auckland 1010

or from:

Auckland International Airport Limited  
First Floor  
Jean Batten International Terminal  
Auckland International Airport  
Manukau 2022

or by phoning +64 9 255 9106.

In addition, the Issuer, Auckland International Airport Limited, publishes an annual report each year containing its independently audited financial statements. The financial statements are available at the Issuer's website at [www.aucklandairport.co.nz/en/Corporate/Investors/ResultsAndReports](http://www.aucklandairport.co.nz/en/Corporate/Investors/ResultsAndReports).

## Offer only in New Zealand

This Investment Statement only constitutes an offer of Bonds to the public in New Zealand and to investors in other jurisdictions where the Bonds may be lawfully offered. 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). Bonds may only be offered for sale or sold in conformity with all applicable laws and regulations in any jurisdiction in which they are offered, sold or delivered. No Bondholder, or any other person, may purchase, offer, sell, distribute or deliver Bonds, or have in its possession, publish, deliver or distribute to any person, any offering material or any documents in connection with the Bonds, in any jurisdiction other than in compliance with all applicable laws and regulations. By purchasing the Bonds, each Bondholder is deemed to have indemnified the Issuer, the Lead Manager, the Co-Manager, the Organising Participant and the Trustee for any loss suffered by any of them by reason of any breach of the above selling restrictions.

## Non-reliance

This Investment Statement does not constitute a recommendation by the Issuer, the Lead Manager, the Co-Manager, the Organising Participant, the Trustee, nor any of their respective directors, officers, employees or agents to subscribe for, or purchase, any of the Bonds. None of the Issuer, the Lead Manager, the Co-Manager, the Organising Participant, the Trustee nor any of their respective directors, officers, employees or agents accepts any liability whatsoever for any loss arising from this Investment Statement or its contents or otherwise arising in connection with the offer of Bonds.

The Lead Manager, the Co-Manager, the Organising Participant and the Trustee have not independently verified the information contained in Parts 3, 4 and 5 of this Investment Statement. In accepting delivery of this Investment Statement, the recipient acknowledges that none of the Lead Manager, the Co-Manager, the Organising Participant and the Trustee nor their respective officers, employees, agents or advisers gives any warranty or representation of accuracy or reliability and they take no responsibility for it. They have no liability for any errors or omissions (including for negligence) in this Investment Statement, and each recipient waives all claims in that regard.

## Definitions

Capitalised terms used in this Investment Statement have defined meanings which appear in the Glossary from page 25.

## Part 2 – Summary of main terms of the Offer

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### Important dates

The Interest Rate and important dates in respect of the Offer (including the Opening Date, Closing Date, Rate Set Date, Issue Date, Interest Payment Dates and Maturity Date), are specified in the Final Terms Sheet for the Bonds prepared and issued with this Investment Statement.

For a more complete description of the Bonds, see the *Answers to Important Questions in Part 4*.

### Issuer:

Auckland International Airport Limited. A description of the Issuer is set out in *Part 3 – Issuer Profile* on pages 6 to 12.

### Description:

Direct, unsecured, unsubordinated, fixed rate debt obligations of the Issuer.

### Lead Manager and Organising Participant:

Bank of New Zealand.

### Co-Manager:

Craigs Investment Partners Limited.

### Registrar:

Link Market Services Limited.

### Aggregate Principal Amount:

Up to \$100,000,000. The Issuer will not accept oversubscriptions.

### Interest Rate:

The Interest Rate is specified in the Final Terms Sheet for the Bonds.

The Interest Rate for the Bonds will be set prior to the opening of the Offer period on the Rate Set Date and will be the aggregate of the Margin and the Base Rate (each of which is also specified in the Final Terms Sheet for the Bonds).

A more detailed description of how the interest rate is determined is set out under the heading *What returns will I get?* on page 16.

### Currency:

New Zealand Dollars.

### Denomination, minimum application amount and minimum holding:

\$1.00 per Bond. The minimum application and holding amount in respect of the Bonds is \$10,000 and multiples of \$1,000 thereafter.

### Issue Price:

Par (\$1.00 per Bond, being the Principal Amount of each Bond).

### Who may apply:

Bonds are offered to New Zealand resident investors and investors in other jurisdictions where the Bonds may be lawfully offered.

Some or all of the Bonds may be reserved for clients of the Lead Manager or Co-Manager listed in the Directory at the back of this Investment Statement, institutional investors and other approved participants (“**Firm Allocations**”). The aggregate number of Bonds so reserved will be determined by the Lead Manager, in consultation with the Issuer, following the Book Build and will be announced by the Issuer on or prior to the Opening Date.

The Lead Manager, in consultation with the Issuer, will determine the arrangements in respect of Bonds which are not subject to the Firm Allocations (if any). Those arrangements will be announced by the Issuer on or before the Opening Date.

Any application money received in respect of an application which is not accepted by the Issuer, whether because of late receipt or otherwise, will be returned (without interest) to the applicant as soon as reasonably practicable after the Issuer decides not to accept the application and, in any event, within 14 calendar days of the receipt of the application.

Instructions on how to apply for the Bonds are contained on page 15 under the heading *How much do I pay?*

### Listing and quotation:

Application has been made to NZX for permission to quote the Bonds and all the requirements of NZX relating thereto that can be complied with on or before the date of distribution of this Investment Statement have been duly complied with. However, the Bonds have not yet been approved for trading and NZX accepts no responsibility for any statement in this Investment Statement. NZX is a registered exchange, and the NZDX is a registered market under the Securities Markets Act 1988.

It is intended that quotation of the Bonds on the NZDX Market commence within a reasonable time, and in any event not later than 10 Business Days, after the Closing Date specified in the Final Terms Sheet for the Bonds.

### Status of the Bonds:

The Bonds constitute direct, unsecured, unsubordinated, fixed rate debt obligations of the Issuer ranking *pari passu* and without any preference among themselves and *pari passu* with all other outstanding unsecured and unsubordinated obligations for borrowed money of the Issuer.

### Interest Payment Dates:

Interest will be payable semi-annually (half annual amount) in arrears on each of the Interest Payment Dates specified in the Final Terms Sheet for the Bonds.

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**Maturity Date:**

The Bonds will mature on the Maturity Date specified in the Final Terms Sheet for the Bonds.

**New Zealand taxation:**

Resident withholding tax will be deducted at the applicable rate from interest paid on the Bonds to Bondholders who are resident in New Zealand for New Zealand income tax purposes or who are engaged in business in New Zealand through a fixed establishment in New Zealand (“**Resident Bondholders**”). Resident withholding tax will not be deducted if a Resident Bondholder holds a valid RWT exemption certificate (and has provided a copy to the Registrar).

Approved issuer levy will be deducted from interest paid on the Bonds to Bondholders that are not Resident Bondholders, unless the Bondholder requests that non-resident withholding tax be deducted at the applicable rate instead. It is expected that the Bonds should qualify for a 0% rate of approved issuer levy if relevant legislation, currently before Parliament, is passed into law.

Interest paid on the Bonds to Resident Bondholders (other than Bondholders that are not New Zealand tax resident and are not acquiring Bonds for the purpose of a business they are engaged in through a fixed establishment in New Zealand), will be income that is taxable at the Bondholder’s relevant tax rate, and may be required to be spread under the financial arrangements rules.

Neither the Issuer nor any other person is obliged to gross-up or otherwise pay any additional amounts to Bondholders as a consequence of the deduction of any withholding tax or approved issuer levy.

A more detailed description of the applicable New Zealand taxes is set out in *Part 5 – New Zealand Taxation* on pages 23 to 24.

**Form of Bonds:**

The Bonds will be entered onto the Register maintained by the Registrar. No certificates of title in respect of the Bonds will be issued to Bondholders. Title to the Bonds passes by transfer and registration. The Issuer and the Registrar will rely on the Register for the purpose of determining entitlements to interest payments on each Interest Payment Date, and for the repayment of the Principal Amount of the Bonds when they are redeemed.

**Rating:**

As at the date of this Investment Statement, the Bonds have been assigned a rating of “A-” by Standard & Poor’s Rating Services, a division of The McGraw-Hill Companies, Inc (rating confirmed on 29 September 2011).

A credit rating is not a recommendation to invest in the Bonds and may be subject to revision, suspension or withdrawal at any time. Further information about the rating is available at [www.standardandpoors.com](http://www.standardandpoors.com).

**Use of proceeds:**

The net proceeds from the sale of Bonds will be used for the general operations of the Issuer, including retirement of debt, capital expenditure and growth opportunities that may arise.

**NZX waivers:**

NZX has granted the Issuer a waiver from NZX Listing Rule 11.1.1, to enable the Issuer 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 NZDX 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 \$10,000.

**No Underwriting:**

The Offer is not underwritten.

**Governing Law:**

New Zealand.

## Part 3 – Issuer profile

### Overview

The Issuer (“**Auckland Airport**”) is the owner and operator of Auckland International Airport (the “**Airport**”), New Zealand’s largest and busiest airport in terms of both passenger movement and revenue. As New Zealand’s premier gateway airport, it is at the heart of New Zealand tourism – one of New Zealand’s largest industries and export earners.

The Airport includes a single runway (that is not subject to any curfew), aprons, an international terminal building and a domestic terminal building. The Airport has substantial retail facilities, including duty and tax-free shops, car parking facilities, commercial and office buildings, and provides a wide variety of commercial and consumer services. Auckland Airport has freehold title to approximately 1,500 hectares of land at the Airport site providing opportunities for further expansion of Airport infrastructure as well as additional commercial and retail uses.

The Airport’s designation, contained in the Manukau District Plan, gives Auckland Airport approval to proceed with the construction of a second runway north of the existing runway subject to certain conditions and further consultation. Construction of the second runway did commence but has been deferred due to current economic conditions. However Auckland Airport can recommence the second runway should capacity constraints begin to impact the current runway in the future.

Auckland Airport’s domestic terminal building is near the end of its useful life as technology and aircraft changes have increased passenger flows at peak times. While no redevelopment work has currently commenced, Auckland Airport will work with stakeholders towards identifying a staged development pathway of a new domestic terminal as well as the timing of a second runway.

Over 70 per cent of visitors enter or leave New Zealand via the Airport, which handles nearly 14 million passengers a year. Passengers arrive from and depart to a range of destinations and their purpose of travel varies mainly between leisure, business, visiting friends and relatives, education and attending conferences.

Auckland Airport is a key participant in developing source markets for travel including new routes for air services and encouraging airlines to fly to New Zealand. As at the date of this Investment Statement, Auckland Airport has 22 airlines (19 passenger and 3 freight) providing direct scheduled international connections to or from 33 overseas destinations. The Airport is Australasia’s second busiest international airport after Sydney and with its current land holding has the ability to service Auckland’s and New Zealand’s passenger growth for the foreseeable future.

The Airport has also been ranked as one of the top 10 airports in the world for the last three years in the independent Skytrax World Airport awards. The Airport improved its position within the ranking from 10th best in the world in 2009, to 9th in 2010 and was voted 8th best in the world in the 2011 awards ([www.worldairportawards.com](http://www.worldairportawards.com)).

As at the date of this Investment Statement Auckland Airport maintained a rating of A- (Stable) from Standard & Poor’s.

In addition to its ownership of Auckland Airport, the Issuer, through subsidiaries, now owns 24.99% of Queenstown Airport, 24.55% of North Queensland Airports (Cairns and Mackay, Australia) and 20.00% of a Novotel hotel which has been built next to the international terminal in Auckland.



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## Ownership

Auckland Airport was formed in 1988, when the New Zealand Government corporatised the management of the Airport. Auckland Airport was listed on the NZSX (formerly the New Zealand Stock Exchange) in July 1998 after the New Zealand Government sold its 51.6% shareholding in an initial public offering. The balance of shares was mainly held by local councils. Auckland Airport obtained full listing on the Australian Stock Exchange on 1 July 2002.

In 2010 the only remaining local councils with an ownership interest in Auckland Airport were Auckland City Council and Manukau City Council, the region's two biggest councils in terms of population. With effect from 1 November 2010 the New Zealand Government restructured Auckland's local government into a unitary Auckland Council. Accordingly, the shareholdings previously held by the two constituent councils now comprise a single holding of 22.5%, as at the date of this Investment Statement. The New Zealand Superannuation Fund (Government-owned) holds approximately 10.0% of Auckland Airport shares. The remaining shares in the Airport are widely held across a range of institutional and retail investors. No other shareholders have a holding greater than 5% as at the date of this Investment Statement.

The Bonds are not guaranteed by Auckland Council, the New Zealand Superannuation Fund or any other person.

## Operational Overview

The major operations of the Airport centre around aeronautical services (e.g. airfield and terminal services) and non-aeronautical services including substantial retail facilities (including duty and tax-free shops), car parking facilities, commercial and office buildings. The Airport also provides a wide variety of commercial and consumer services and one of the largest areas of land available for development in the Auckland region. This land provides opportunities for further expansion of aeronautical infrastructure as well as additional commercial and retail uses, such as the recently constructed 4+ star Novotel hotel venture.

Over the past decade, the Airport has experienced growth in passenger numbers. In the financial year to June 2011, the Airport handled 13,824,287 passenger movements, an increase of 2.8% over the previous year of 13,448,202. The majority of passenger movements (approximately 56%) were international passengers.

## Financial Overview

The financial results referred to in this section are those of Auckland Airport and not the consolidated financial results for the Group. Investors may also refer to the financial statements of Auckland Airport (which include the consolidated financial results for the Group) and are available online at [www.aucklandairport.co.nz/en/Corporate/Investors/ResultsAndReports](http://www.aucklandairport.co.nz/en/Corporate/Investors/ResultsAndReports).

Auckland Airport delivered a strong result for the 2011 financial year, with reported profit after taxation of \$105.715 million. This is despite several natural disasters, including the Christchurch earthquake, Japanese tsunami and the ash cloud from a volcano in Chile, which have impacted tourism.



## Part 3 – Issuer profile continued

### Key financial results and performance indicators

The Issuer actively monitors a range of key financial results and performance indicators which includes both financial and operating ratios. A brief summary of some of the key results are shown in the table below:

	2011 \$m	2010 \$m	% Change
Income	411.625	369.300	11.5
Expenses	99.526	86.802	14.7
<b>Earnings before interest, taxation, depreciation, fair value adjustments and investments in associates (EBITDAFI)</b>	<b>312.099</b>	<b>282.498</b>	<b>10.5</b>
Reported profit after tax	105.715	34.817	203.6
Earnings per share (cents)	8.03	2.77	189.9
<b>Ordinary dividends</b>			
– cents per share	8.7	8.2	6.1
– amount	114.870	107.156	7.2

Income grew strongly in the 2011 financial year. While the revenue growth was broadly spread across the business, the stand-out was retail revenue growth. The completion of the new departure area in the international terminal has played a strong role in creating a positive environment and lifting passenger spend-rates in the Airport stores. Total revenue growth was \$42.325 million and this more than offset the growth in expenses of \$12.724 million to grow EBITDAFI by \$29.601 million. Revaluations of property impacted the reported profits both positively and negatively and an explanation of the impact of the revaluations is included later in this document.

A summary of some key ratios is set out in the table below.

	2011	2010	% Change
<b>Financial performance</b>			
EBITDAFI margin	75.8%	76.5%	-0.7
<b>Financial position and gearing</b>			
Debt/Debt + equity	30.5%	36.2%	-5.7
Debt/EBITDAFI	3.48	3.87	-10.1
<b>Operating efficiencies</b>			
Passengers per operating staff	47,366	44,491	6.5
Operating income per operating staff	\$1,410,346	\$1,221,771	15.4
Operating income per passenger	\$29.78	\$27.46	8.4
Retail income per international passenger	\$14.28	\$12.92	10.5
Car park income per passenger	\$2.60	\$2.47	5.3
Operating staff costs/operating revenue	7.92%	8.55%	-0.6

### The impact of revaluations in 2011

As at 30 June 2011 Auckland Airport revalued the company's property, plant and equipment as well as investment property. However, the revaluations of these different asset classes are not treated the same way in the financial statements.

Investment property revaluations are recorded in the income statement. This occurs whether the change in an asset value was an increase or a decrease.

For property, plant and equipment, on the other hand, the accounting treatment is different depending on whether an individual asset's value increased or decreased as part of the revaluation. A revaluation decrease in a particular asset is recorded in the income statement and flows into retained earnings. An increase in a particular asset is recorded in the statement of comprehensive income and flows through into a property, plant and equipment revaluation reserve within equity. The different accounting treatment makes the impact of revaluations more difficult to easily understand. To assist we have shown below the value of the property, plant and equipment and investment property both before and after the revaluation. The difference between the two revaluations is then split to show where these have been recognised in the financial statements before taxation impacts.

2011 (\$000)	Summary of individual asset values before revaluations	Summary of individual asset values after revaluations	Difference	Recognised in the Income statement	Recognised in Other comprehensive income	Total
<b>Property, plant and equipment</b>						
Land	1,506,025	1,909,347	403,322	(8,773)	412,095	403,322
Buildings and services	518,176	518,325	149	(43,565)	43,714	149
Infrastructure	224,396	280,026	55,630	(9,722)	65,352	55,630
Runway, taxiways and aprons	247,009	307,141	60,132	(1,405)	61,537	60,132
Plant and equipment and vehicles	20,581	20,581	–	–	–	–
<b>Total property, plant and equipment</b>	<b>2,516,187</b>	<b>3,035,420</b>	<b>519,233</b>	<b>(63,465)</b>	<b>582,698</b>	<b>519,233</b>
<b>Total investment property</b>	<b>524,592</b>	<b>546,232</b>	<b>21,640</b>	<b>21,640</b>	<b>–</b>	<b>21,640</b>

The change in the company's investment property value was an increase of \$21.640 million, an increase of 4.1% in value in the 2011 year. This compares to a valuation increase of \$9.469 million in 2010.

The change in the company's property, plant and equipment value was an increase of \$519.233 million with valuation decreases of \$63.465 million recognised in the income statement and valuation increases of \$582.698 million recognised in other comprehensive income. The net property, plant and equipment change was an increase of 20.6% in value recognised in 2011. These assets were last revalued at 30 June 2006.

For further information on the revaluations, including key assumptions, readers are referred to the notes to the financial statements including accounting policies, which are available online at [www.aucklandairport.co.nz/en/Corporate/Investors/ResultsAndReports](http://www.aucklandairport.co.nz/en/Corporate/Investors/ResultsAndReports).

## Part 3 – Issuer profile continued

### Summary of the Financial Statements of the Issuer – Auckland International Airport Limited

Summary income statement (for the year ending)	30 June 2011 \$000	30 June 2010 \$000	30 June 2009 \$000	30 June 2008 \$000	30 June 2007 \$000
Revenue	411,625	369,300	368,313	350,342	321,028
Total expenses	99,526	86,802	88,881	75,189	79,568
<b>Earnings before interest, taxation, depreciation, fair value adjustments and investments in associates (EBITDAFI)</b>	<b>312,099</b>	<b>282,498</b>	<b>279,432</b>	<b>275,153</b>	<b>241,460</b>
Share of profit of associates	–	890	949	1,051	904
Gain on sale of associates	1,240	–	–	–	–
Derivative fair value change	3,503	–	–	–	–
Property, plant and equipment revaluation	(63,465)	–	–	–	–
Investment property fair value increase / (decreases)	21,640	9,469	(64,586)	13,721	140,160
Costs relating to ownership proposals	–	–	–	(9,588)	–
<b>Earnings before interest, taxation and depreciation (Total EBITDA)</b>	<b>275,017</b>	<b>292,857</b>	<b>215,795</b>	<b>280,337</b>	<b>382,524</b>
Depreciation	56,843	55,736	54,766	46,973	43,184
<b>Earnings before interest and taxation (EBIT)</b>	<b>218,174</b>	<b>237,121</b>	<b>161,029</b>	<b>233,364</b>	<b>339,340</b>
Interest expense and other financial costs	70,417	71,938	75,590	72,548	62,739
<b>Profit before taxation</b>	<b>147,757</b>	<b>165,183</b>	<b>85,439</b>	<b>160,816</b>	<b>276,601</b>
Deferred tax adjustment on buildings	–	84,404	–	–	–
Other taxation expense	42,042	45,962	43,696	47,496	45,982
<b>Profit for the period attributable to the owners of the parent</b>	<b>105,715</b>	<b>34,817</b>	<b>41,743</b>	<b>113,320</b>	<b>230,619</b>

## Summary of the Financial Statements of the Issuer – Auckland International Airport Limited continued

	30 June 2011 \$000	30 June 2010 \$000	30 June 2009 \$000	30 June 2008 \$000	30 June 2007 \$000
<b>Summary statement of comprehensive income (for the year ending)</b>					
Profit for the period	105,715	34,817	41,743	113,320	230,619
Property, plant and equipment revaluation reserve:					
Net revaluation movements	582,698	–	–	–	–
Tax on the property, plant and equipment revaluation reserve	(47,548)	7,862	625	58	11,496
Total property, plant and equipment revaluation reserve movement	535,150	7,862	625	58	11,496
Movements in share based payments	7	11	–	31	92
Cash flow hedges:					
Fair value gains/(losses) recognised in the cash flow hedge reserve	(16,198)	(15,323)	(30,230)	(2,467)	10,457
Realised gains/(losses) transferred to the income statement	13,733	20,812	(5,683)	(5,489)	(331)
Tax effect of movements in the cash flow hedge reserve	690	(2,172)	9,521	–	–
Total cash flow hedge reserve	(1,775)	3,317	(26,392)	(7,956)	10,126
<b>Total other comprehensive income/(loss)</b>	<b>533,382</b>	<b>11,190</b>	<b>(25,767)</b>	<b>(7,867)</b>	<b>21,714</b>
<b>Total comprehensive income for the period, net of tax</b>	<b>639,097</b>	<b>46,007</b>	<b>15,976</b>	<b>105,453</b>	<b>252,333</b>

### Summary balance sheet (as at)

Current assets	73,641	65,336	61,401	32,881	26,624
Non-current assets	3,806,684	3,207,448	3,027,147	3,060,008	2,955,668
<b>Total assets</b>	<b>3,880,325</b>	<b>3,272,784</b>	<b>3,088,548</b>	<b>3,092,889</b>	<b>2,982,292</b>
Current liabilities	504,850	266,478	322,276	350,461	378,271
Non-current liabilities	899,610	1,083,639	924,731	845,843	689,451
<b>Total liabilities</b>	<b>1,404,460</b>	<b>1,350,117</b>	<b>1,247,007</b>	<b>1,196,304</b>	<b>1,067,722</b>
<b>Total equity</b>	<b>2,475,865</b>	<b>1,922,667</b>	<b>1,841,541</b>	<b>1,896,585</b>	<b>1,914,570</b>

## Part 3 – Issuer profile continued

### Summary of the Financial Statements of the Issuer – Auckland International Airport Limited continued

	30 June 2011 \$000	30 June 2010 \$000	30 June 2009 \$000	30 June 2008 \$000	30 June 2007 \$000
<b>Summary statement of changes in equity (for the year ending)</b>					
Equity at beginning of period	1,922,667	1,841,541	1,896,585	1,914,570	1,760,058
Total profit after tax for the period	105,715	34,817	41,743	113,320	230,619
Other comprehensive income / (loss)	533,382	11,190	(25,767)	(7,867)	21,714
Total comprehensive income / (loss)	639,097	46,007	15,976	105,453	252,333
Increase in issued and paid up capital	25,123	138,486	4,906	1,208	2,285
Ordinary dividends paid	(111,022)	(103,367)	(75,926)	(124,646)	(100,106)
<b>Equity at end of period</b>	<b>2,475,865</b>	<b>1,922,667</b>	<b>1,841,541</b>	<b>1,896,585</b>	<b>1,914,570</b>

#### Comprised of:

Issued and paid up capital	338,917	313,794	175,308	170,402	169,194
Cancelled share reserve	(161,304)	(161,304)	(161,304)	(161,304)	(161,304)
Retained earnings	168,282	155,406	220,075	251,601	261,793
Property, plant and equipment reserve	2,149,731	1,632,764	1,628,783	1,630,815	1,631,891
Share based payments reserve	913	906	895	895	864
Cash flow hedge reserve	(20,674)	(18,899)	(22,216)	4,176	12,132
	<b>2,475,865</b>	<b>1,922,667</b>	<b>1,841,541</b>	<b>1,896,585</b>	<b>1,914,570</b>

#### Summary cash flow statement (for the year ending)

Net cash flows from operating activities	175,069	176,134	170,079	133,920	146,960
Net cash flows used in investing activities	(82,376)	(224,132)	(93,338)	(145,124)	(101,749)
Net cash flows used in/from financing activities	(82,599)	49,730	(43,114)	10,840	(44,029)
<b>Date full financial statements approved</b>	<b>23/08/11</b>	<b>26/08/10</b>	<b>28/08/09</b>	<b>21/08/08</b>	<b>21/08/08</b>

#### Events subsequent to balance date

On 23 August 2011, the directors approved the payment of a fully imputed final dividend of 4.70 cents per share to be paid on 21 October 2011.

There have been no other significant events between 30 June 2011 and the date the 30 June 2011 financial statements were authorised.

#### Relationship to the full financial statements

The information has been extracted from the full audited financial statements, the most recent being for the year ended 30 June 2011 which were approved by the board on 23 August 2011. The audit report for each period above was unqualified and unmodified. The full financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand (NZ GAAP) for a profit orientated entity and the requirements of the Companies Act 1993 and the Financial Reporting Act 1993. The financial information has been prepared under New Zealand equivalents to International Financial Reporting Standards (NZ IFRS). The Airport has made an explicit and unreserved statement of compliance with NZ IFRS and with International Financial Reporting Standards (IFRS). There have been no material changes to the activities of the Issuer during the periods to which the above information relates.

The above financial information is in compliance with the New Zealand Reporting Standard "FRS-43 Summary Financial Statements" and has been authorised by the board on 29 September 2011 for issuing.

The summary financial statements do not include all the disclosures provided in the full financial statements and cannot be expected to provide as complete an understanding as provided by the

full financial statements. A copy of the full audited annual financial statements for 30 June 2011 can be obtained online at [www.aucklandairport.co.nz/en/Corporate/Investors/ResultsAndReports](http://www.aucklandairport.co.nz/en/Corporate/Investors/ResultsAndReports). All amounts are reported in NZ dollars.

The financial information for the year ended 30 June 2007 was restated as the comparative year for the first time adoption of NZ IFRS and was approved by directors on 21 August 2008, with the approval of the financial statements for the year ended 30 June 2008. The key changes to the opening balance sheet in the year ended 30 June 2007 were:

- Reclassification from property, plant and equipment to investment property of \$152.751 million.
- Recognition of deferred tax of \$106.227 million in relation to deferred taxation on property, plant and equipment.
- The investment property revaluation reserve of \$66.642 million was reclassified to retained earnings.

The cumulative impact of these and other changes was a \$95.411 million decrease in net equity.

The key changes for the year ended 30 June 2007 were:

- Reclassification from property, plant and equipment to investment property of \$115.680 million.
- Recognition of deferred tax of \$95.370 million in relation to deferred taxation on property, plant and equipment.
- The revaluation of \$146.097 million of investment properties was recognised in the income statement rather than reserves.

The cumulative impact of these and other changes was a \$19.526 million decrease in net equity.

# Part 4 – Answers to important questions

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## 1. What sort of investment is this?

### The Bonds

The Bonds offered under this Investment Statement are debt securities and constitute direct, unsecured, unsubordinated, fixed rate debt obligations of the Issuer and will rank equally with all other unsecured and unsubordinated indebtedness of the Issuer, except indebtedness preferred by law.

The terms and conditions applicable to the Bonds are contained in the Trust Documents.

### Trustee

The Bonds are issued pursuant to the Trust Documents. The Trustee holds on trust for the benefit of Bondholders the right to enforce the Issuer's obligations under the Bonds.

The Trustee does not guarantee the payment of interest or principal on the Bonds.

### Interest

The Bonds bear interest at a fixed rate per annum. Interest is scheduled to be paid on the Bonds semi-annually (half annual amount) in arrears on each Interest Payment Date as specified in the Final Terms Sheet for the Bonds prepared and issued with this Investment Statement.

A more detailed description of the Interest Rate payable in respect of the Bonds is set out under the heading *What returns will I get?* on page 16.

### Redemption

The Principal Amount of the Bonds will be repaid by the Issuer on the Maturity Date specified in the Final Terms Sheet.

Bondholders have no right to require redemption of the Bonds, except in the case of an Event of Default. This means that Bondholders have no ability to cash in their investment, except following an Event of Default or by selling their Bonds in the secondary market (if one develops).

### Further issues

The Issuer may from time to time, and without the consent of the Bondholders issue further bonds so as to form a single issue with outstanding Bonds. The Issuer may, subject to compliance with the Trust Documents, also issue other bonds, notes or other debt instruments which may rank ahead of the Bonds. However, for so long as any Bonds are outstanding, the Issuer must ensure that the following financial ratios are maintained:

- Total Secured Liabilities are less than 7.5% of Total Tangible Assets;
- the book value of assets directly and beneficially owned by the Issuer (and any Subsidiaries of the Issuer who guarantee the Issuer's payment obligation on the Bonds)<sup>1</sup> and which are included in Total Tangible Assets is never less than 90% of Total Tangible Assets; and
- Contingent Liabilities do not exceed 10% of Total Tangible Assets.

### NZDX quotation

Application has been made to NZX for permission to quote the Bonds and all the requirements of NZX relating thereto that can be complied with on or before the date of distribution of this Investment Statement have been duly complied with. However, the Bonds have not yet been approved for trading and NZX accepts no responsibility for any statement in this Investment Statement. NZX is a registered exchange and the NZDX is a registered market under the Securities Markets Act 1988.

The Issuer intends that quotation of the Bonds on the NZDX Market will occur within a reasonable time, and in any event not later than 10 Business Days after the Closing Date (as set out in the Final Terms Sheet).

<sup>1</sup> As at the date of this Investment Statement there are no guaranteeing subsidiaries and none of the Bonds or payments thereunder are guaranteed by any person.

### 2. Who is involved in providing it for me?

#### Issuer

Auckland International Airport Limited is the Issuer of the Bonds offered in this Investment Statement. The Issuer's address is:

First Floor  
Jean Batten International Terminal  
Auckland Airport  
Manukau 2022

The address of the Issuer is current as at the date of this Investment Statement, but is subject to change. The current address of the Issuer may be obtained from the companies office website at <http://www.business.govt.nz/companies> by searching against "Auckland International Airport Limited".

#### Directors of the Issuer

The Issuer's directors are:

Joan Withers (Chair)  
Keith Sharman Turner (Deputy Chair)  
John Alston Brabazon  
Richard John Didsbury  
Brett Alan Godfrey  
Sir Henry William van der Heyden  
James Bruce Miller  
Hugh Richmond Lloyd Morrison

The names of the directors of the Issuer are current as at the date of this investment statement, but are subject to change. A current list may be accessed at [www.business.govt.nz/companies/app/ui/pages/companies/380357/directors](http://www.business.govt.nz/companies/app/ui/pages/companies/380357/directors).

#### Activities of Issuer

The Issuer was incorporated on 20 January 1988 and has since that time been the owner and operator of the Airport, New Zealand's largest and busiest domestic and international airport both by aircraft and passenger movements.

The Issuer was listed on the New Zealand Stock Exchange in July 1998 after the New Zealand Government sold its 51.6% shareholding in an initial public offering. The Issuer obtained full listing on the Australian Stock Exchange on 1 July 2002.

A fuller description of the Issuer and its activities is set out above in *Part 3 – Issuer profile* on pages 6 to 12.

#### Trustee

The New Zealand Guardian Trust Company Limited is the Trustee of the Bonds. The Trustee's address is:

Vero Centre  
48 Shortland Street  
Auckland 1010

The address of the Trustee is current as at the date of this Investment Statement, but is subject to change. The current address of the Trustee may be obtained from the companies office website at <http://www.business.govt.nz/companies> by searching against "The New Zealand Guardian Trust Company Limited".

#### Substituted Obligor

The Trustee may, without the consent of the Bondholders, agree to a wholly owned Subsidiary of the Issuer ("**Substituted Obligor**") taking the place of the Issuer under the Trust Documents in substitution for the Issuer or a previous Substituted Obligor. Such substitution may only occur if a number of requirements are met, as set out in the Master Trust Deed. Those requirements include that:

- (a) the Substituted Obligor becomes bound by all the conditions of the Trust Documents;
- (b) such amendments are made to the other documents in respect of the Offer as the Trustee may reasonably deem appropriate;
- (c) two directors of the Substituted Obligor, on behalf of the board of the Substituted Obligor, certify that the Substituted Obligor will be solvent immediately after such substitution;
- (d) any public rating assigned to the Bonds is maintained or increased;
- (e) (if the Bonds are not publicly rated) the Substituted Obligor has a corporate rating for its long-term unsecured debt no lower than that of the Issuer at the relevant time;
- (f) the Issuer and the Substituted Obligor comply with such reasonable requirements as the Trustee may direct which the Trustee reasonably considers are in the interests of the Bondholders generally;
- (g) the Substituted Obligor provides certain warranties and representations to the Bondholders as to the obtaining of authorisations and the validity of the obligations assumed by it; and
- (h) legal opinions are obtained confirming certain matters such as that all required consents have been obtained and that the amounts payable to the Bondholders will not be reduced by taxes (other than taxes that the Issuer is not already obliged to provide Bondholders a gross-up for under the terms of the Trust Documents).

#### Registrar

The Registrar of the Bonds is:

Link Market Services Limited  
Level 16  
Brookfields House  
19 Victoria Street West  
Auckland 1010

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### 3. How much do I pay?

#### Issue price and minimum investment

The denomination of each Bond is \$1.00 and the issue price of Bonds is par. Applications to subscribe for Bonds must be for a minimum Principal Amount of \$10,000 (and in multiples of \$1,000 thereafter) and payment of the total application amount in full must accompany the Application Form. There is no maximum amount of Bonds you may apply for, but applications for less than \$10,000 will not be accepted.

Applications must be made on the Application Form contained at the back of this Investment Statement.

#### Payments

Applicants who are members of the NZClear System, or who are able to have payments made on their behalf through the NZClear System, may by prior arrangement with the Registrar settle their applications for Bonds on the Issue Date through the NZClear System with the Registrar (BKRE30).

Applicants who are not members of the NZClear System may pay for the Bonds applied for by a personal cheque, by direct debit or, if the application is for Bonds of an aggregate Principal Amount of \$500,000 or more, by bank cheque or other method acceptable to the Lead Manager. Cheques should be in New Zealand dollars drawn on a New Zealand branch of a financial institution and submitted with the completed Application Form. Cheques should be made payable to “**Auckland Airport Bond Offer**” and crossed “**Not Transferable**” and must not be post-dated.

#### Where to send your Application Form and payment

Application Forms (together with a cheque, unless direct debit details have been completed) should be delivered or sent to:

##### Link Market Services Limited

Postal address:  
PO Box 91976  
Auckland 1142

Physical Address:  
Level 16  
Brookfields House  
19 Victoria Street West  
Auckland 1010

OR

##### Bank of New Zealand

Postal address:  
Private Bag 92208  
Auckland 1142

Physical address:  
Level 6  
Deloitte Centre  
80 Queen Street  
Auckland 1142

OR

##### Craigs Investment Partners Limited

Postal address:  
PO Box 13 155  
Tauranga 3141

Physical address:  
Craigs Investment Partners House  
158 Cameron Road  
Tauranga

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Applications for Bonds may also be lodged with any NZX Firm or any other channel approved by NZX.

#### Applications

The Issuer reserves the right to refuse all or any part of any application without giving a reason including (but without limitation) where an applicant has not provided account details for payments by direct credit.

Any application money received in respect of an application which is not accepted by the Issuer, whether because of late receipt or otherwise, will be returned (without interest) to the applicant as soon as reasonably practicable after the Issuer decides not to accept the application and, in any event, within 14 calendar days of the receipt of the application.

If the Issuer accepts an application in part, the balance of the application money (without interest) will be refunded as soon as reasonably practicable and, in any event, within 14 calendar days of the close of the issue.

Where an applicant's payment for Bonds is dishonoured, the Issuer may cancel any Bonds issued to that applicant, and may pursue the defaulting applicant for damages suffered by the Issuer.

Applications cannot be withdrawn or revoked.

#### No cooling off

There is no cooling off period during which an investor can cancel his or her investment in the Bonds.



### 4. What are the charges?

Applicants pay no fees or charges to Auckland Airport to invest in the Bonds other than the issue price of \$1.00 per Bond allotted to that Applicant under the Offer. Notwithstanding this, a fee or commission may be charged by the financial intermediary through whom you receive an allocation of bonds. Auckland Airport takes no responsibility for the pricing actions of market participants, and any fee or commission is to be directly negotiated between the applicant and the relevant market participant.

All fees and expenses payable to the Trustee or the Registrar in connection with the Issue are payable by the Issuer.

### 5. What returns will I get?

#### Overview

The information set out in this section should be read in conjunction with the information set out under the heading *What are my risks?* on page 17. Certain events could reduce or eliminate the returns intended to be derived from holding the Bonds.

It is not possible to quantify as at the date of this Investment Statement the exact amount of returns Bondholders will receive, and therefore no such amount can be promised by the Issuer.

#### Interest Rate

The Bonds will bear interest at the Interest Rate as specified in the Final Terms Sheet accompanying this Investment Statement (being the fixed rate per annum equal to the sum of the Base Rate plus the Margin). Interest will be paid semi-annually in arrears.

The sum of the Base Rate plus the Margin will be determined prior to the opening of the Offer period on the Rate Set Date.

The Margin is a percentage rate per annum determined by the Issuer in consultation with the Lead Manager as specified in the Final Terms Sheet accompanying this Investment Statement.

The Base Rate is the rate per annum (expressed on a percentage yield basis) determined by the Issuer in consultation with the Lead Manager to be the mid point of the bid and offered market rate prior to the Rate Set Date for an interest rate swap from the Issue Date to the Maturity Date of the Bonds, as more fully set out in the definition of Base Rate in the Glossary.

Payment will only be made by direct credit to a bank account or broker cash management account. If no bank account is specified, interest will be withheld until account details have been provided. No interest will be paid on amounts withheld.

Interest is scheduled to be paid by the Issuer on the Bonds semi-annually (half annual amount) in arrears on each Interest Payment Date specified in the Final Terms Sheet for the Bonds until and including the Maturity Date. The first Interest Payment Date is specified in the Final Terms Sheet. 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.

Interest will be calculated on the Principal Amount of each Bond for the relevant period. The first interest period for the Bonds will commence on (and include) the Issue Date for the Bonds.

#### Status

The Bonds constitute direct, unsecured, unsubordinated, fixed rate debt obligations of the Issuer ranking *pari passu* and without any preference among themselves and *pari passu* with all other outstanding unsecured and unsubordinated obligations for borrowed money of the Issuer. The Bonds are not guaranteed.

#### Maturity Date

The Principal Amount of the Bonds will be repaid by the Issuer on the Maturity Date specified in the Final Terms Sheet for the Bonds. The Issuer is legally liable for paying the Bondholders the returns on the Bonds.

#### Redemption by Bondholders

Bondholders have no right to require the Issuer to redeem their Bonds unless an Event of Default occurs. This means that Bondholders have no ability to cash in their investment, except following an Event of Default or by selling their Bonds in the secondary market (if one develops).

#### Events of Default

Upon the occurrence of any of the Events of Default set out in the Trust Documents, the Trustee may, and immediately upon being directed to do so by an Extraordinary Resolution of Bondholders must, declare the Bond Moneys to be immediately due and payable. However, none of the events listed in the definition of Event of Default in the Trust Documents will constitute an Event of Default, and the Bond Moneys will not become immediately due and payable, unless the Event of Default is continuing unremedied and the Trustee has given a notice to the Issuer declaring such event to be an Event of Default and the Bond Moneys to be immediately due and payable.

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The Events of Default are listed in the Trust Documents. In summary, the Events of Default include the following events:

- any failure to make any payment of principal on its due date (or within two Business Days of the due date if the failure is due to a technical error);
- any failure to make any payment of interest on the Bonds within two Business Days of the due date;
- any breach by the Issuer of any other material undertaking or obligation under the Trust Documents that, if capable of remedy, is not remedied within 30 days of the Issuer becoming aware of that breach;
- any breach of a representation or warranty in a material respect which has a material adverse effect on the Issuer;
- if the Issuer becomes insolvent, is placed into liquidation or any analogous procedure occurs in respect of it; and
- if any indebtedness in excess of \$10,000,000 required to be repaid prior to its stated maturity by reason of a default is not paid by the Issuer when due.

Investors should refer to the Trust Documents for a complete list and a fuller description of the acts and omissions that constitute Events of Default.

If the Bonds are repaid prior to their Maturity Date, the returns the Bondholders will receive will be different from the returns they would have received if the Bonds are repaid on their Maturity Date.

### Key factors that determine returns

The key factors that determine the returns on a Bondholder's investment are:

- the interest rate;
- the Issuer's financial condition;
- any applicable taxes (see *Part 5 – New Zealand taxation* on pages 23 to 24);
- fluctuations in the price of the Bonds if sold on the secondary market, as described under the heading *Transferring Bonds* below; and
- the other risk factors described under the heading *What are my risks?* on page 17.

### Taxation of returns

Your returns will be affected by taxes. Please refer to *Part 5 – New Zealand taxation* on pages 23 to 24.

### Transferring Bonds

If Bondholders transfer any Bonds, the price obtained for them may differ from the amount paid to purchase them. This is because changes in market interest rates can affect the market value of the Bonds (see *What are my risks?* on pages 17 to 19).

Bonds may only be transferred in multiples of \$1,000 in Principal Amount and no transfer may be made if it results in the transferor or the transferee holding Bonds the Principal Amount of which is less than \$10,000 in aggregate (unless the lesser amount is zero). You should contact your broker or financial adviser if you wish to sell or transfer Bonds.

The Issuer will not compensate Bondholders for any loss incurred if Bondholders choose to sell Bonds.

Applicants should not attempt to sell Bonds until they know whether, and how many, Bonds have been issued to them. None of the Issuer, the Lead Manager, the Co-Manager, the Organising Participant, the Trustee nor any of their respective directors or employees or any other person accepts any liability or responsibility should any applicant for Bonds attempt to sell or otherwise deal with any Bonds before receiving a statement recording the number of Bonds (if any) issued to them.

### Person legally liable to pay returns

The person legally liable to pay interest and the Principal Amount of the Bonds is Auckland International Airport Limited. As at the date of this Investment Statement, no other party, including the Trustee, the Lead Manager, the Co-Manager, the Organising Participant or any of the Issuer's subsidiaries guarantees the Issuer's obligations in relation to the Bonds.

## 6. What are my risks?

There is a risk of you not recovering the sum which you paid for the Bonds and/or of you not receiving the returns described above in the section *What returns will I get?* as a result of the risks described in this section.

### Insolvency

The principal risks for Bondholders are that:

- they may be unable to recover from the Issuer all or any of the Principal Amount of the Bonds; or
- they may not receive timely, or any, interest payments on the Bonds, and therefore may not receive the returns described above in *What returns will I get?*

These circumstances could arise if the Issuer becomes insolvent for any reason, or is placed in receivership, liquidation, voluntary administration or statutory management, or is otherwise not able to meet its debts as they fall due.

As the Bonds are unsecured, unsubordinated debt obligations, in a liquidation or statutory management of the Issuer, the Bondholders' rights to repayment of any Bond Moneys will rank after the claims of:

- persons to whom preferential payments must be made (including creditors of the Issuer preferred by law); and
- secured creditors (if any).

Claims of the Bondholders will thereafter rank equally with the claims of all other unsecured, unsubordinated creditors of the Issuer.

Bondholders will not, in any circumstances, be liable to pay money to any person as a result of the insolvency of the Issuer.

### Transfer risk

If a Bondholder transfers their Bonds before they are redeemed (as described in *What returns will I get?* on page 17 and *How do I cash in my investment?* on page 20), the price at which they are able to sell their Bonds may be less than the price paid for them. This is because changes in market interest rates and other factors can affect the market value of the Bonds. For example, if market interest rates go up, the market value of the Bonds may go down, and vice versa. The loss or gain is also, in part, a function of the effect of a change in underlying market interest rates on the value of your investment.

The price at which Bondholders are able to sell their Bonds may also be affected by a deterioration, whether real or perceived, in the Issuer's creditworthiness, a lack of persons wishing to buy Bonds, or the lack of an established market or demand for the Bonds.

### Market, liquidity and yield considerations

It is intended that the Bonds will be quoted in the NZDX Market; however, while the directors of the Issuer are of the view that a secondary trading market for the Bonds will develop over time there can be no assurance of the liquidity of such a market. Consequently, investors may not be able to sell their Bonds readily or at prices that will enable them to realise a yield comparable to that of similar instruments, if any, with a developed secondary market.

Depending on market conditions and other factors, investors seeking to sell relatively small or relatively large amounts of Bonds may not be able to do so at prices comparable to those that may be available to other investors. The secondary market for the Bonds will also be affected by a number of other factors independent of the creditworthiness of the Issuer. These factors may include the time remaining to the maturity of the Bonds, the outstanding amount of the Bonds, the amount of the

Bonds being sold in the secondary market from time to time, any legal restrictions limiting demand for the Bonds, the availability of comparable securities, and the level, direction and volatility of market interest rates generally. Such factors will also affect the market value of the Bonds.

No investor should purchase Bonds unless the investor understands and is able to bear the risk that the Bonds may not be readily saleable, that the value of Bonds will fluctuate over time, and that such fluctuations may be significant and could result in significant losses to the investor. This is particularly the case for investors whose circumstances may not permit them to hold the Bonds until maturity.

### No limitation on issuing debt

Under the Master Trust Deed, the Issuer has the power to create and issue additional debt obligations ranking equally with or ahead of the Bonds without the consent of the Bondholders. Such further debt obligations may be issued on such terms as the Issuer thinks fit. However, for so long as any Bonds are outstanding, the Issuer must ensure that the following financial ratios are maintained:

- Total Secured Liabilities are less than 7.5% of Total Tangible Assets;
- the book value of assets directly and beneficially owned by the Issuer (and any Subsidiaries of the Issuer who guarantee the Issuer's payment obligations on the Bonds)<sup>2</sup> and which are included in Total Tangible Assets is never less than 90% of Total Tangible Assets of the Group; and
- Contingent Liabilities do not exceed 10% of Total Tangible Assets.

### Industry risk

Auckland Airport participates in the long-term growth dynamics of the global aviation industry. Investors should be aware that this exposes Auckland Airport to certain risks and variables that can impact the financial performance and the real or perceived creditworthiness of Auckland Airport. These include one-off global shocks, changes to the regulatory and competitive environment, legal disputes, counterparty performance risk and changes in passenger volumes. Factors affecting passenger volumes could include, without limitation, the attractiveness of New Zealand as a destination, the relative strength or weakness of global economies, exchange rates, fuel prices, concerns about the environmental impacts of air travel, the price of air travel, natural disasters (including bio-security threats and diseases such as foot-and-mouth or an influenza pandemic), acts of terrorism, wars and associated security issues and political disruptions.

<sup>2</sup> As at the date of this Investment Statement there are no guaranteeing subsidiaries and none of the Bonds or payments thereunder are guaranteed by any person.

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## Company risk

Auckland Airport is located on a single site with a single runway. This exposes Auckland Airport to risks that may affect Auckland Airport's ability to facilitate aircraft or passenger movements and this may impact on the financial performance or the real or perceived creditworthiness of Auckland Airport. Factors affecting Auckland Airport's ability to process aircraft or passengers could include, without limitation, natural disasters, acts of terrorism and aircraft incidents, as well as other events that impact the ability to operate the terminal buildings or the supporting infrastructure including electricity, water, fuel, gas and road access. As a business with operations in New Zealand, Auckland Airport is exposed to government regulatory policies that could have a direct bearing on business operations and no assurance can be given that the adoption of new laws and regulations may not have a material adverse effect on Auckland Airport's operations.

## Global financial crisis

Starting in July 2007 with the sub-prime mortgage crisis in the United States, the world economy has been experiencing a global financial crisis which is continuing to impact the world economy, with particular impact in Europe and the United States of America. This may have further direct and consequential adverse effects for Auckland Airport, including on passenger volumes, aircraft movements, the ability of its counterparties to perform and the value of its investment property and assets generally, and the ability of Auckland Airport at a point in the future to obtain finance or the cost of that finance.

## 7. Can the investment be altered?

### Terms of this Offer

The terms of this Offer and the terms and conditions on which investors may apply for Bonds may be altered by an amendment to the Trust Documents.

### Early repayment of the Bonds

Upon the occurrence of an Event of Default under the Trust Documents, the Trustee may in its discretion, and must immediately upon being directed to do so by an Extraordinary Resolution of Bondholders, declare the Bond Moneys to be immediately due and payable.

The returns the Bondholders will receive if the Bonds are repaid prior to their Maturity Date will be different from the returns they will receive if the Bonds are repaid on their Maturity Date. If the Bonds are repaid prior to their Maturity Date, interest on each Bond that has accrued will be paid to the relevant Bondholder.

## Trust Documents

The terms and conditions of the Trust Documents may be altered with the approval of Bondholders (or a class of Bondholders, if applicable) by an Extraordinary Resolution at a meeting of Bondholders (whether convened by the Issuer or Bondholders) and, in limited circumstances, with the approval only of the Trustee and the Issuer as more particularly described below.

An Extraordinary Resolution is a resolution passed at a meeting of Bondholders (or Bondholders of a relevant class of Bondholders) duly convened and held in accordance with the rules and procedures for meetings of Bondholders set out in the schedule to the Master Trust Deed at which at least 75% of the persons voting at the meeting voted in favour of the resolution or if a poll is duly demanded then at least 75% of the votes cast on such a poll, voted in favour of the resolution. An Extraordinary Resolution is binding on all Bondholders (or, if for a class, on all Bondholders of the relevant class), whether or not they were present at such meeting. Any Bonds held by the Issuer or any of its Subsidiaries at the relevant time do not confer any right to vote.

In addition, the Trustee and the Issuer may, without the consent of Bondholders, agree to alter the Trust Documents in the limited circumstances specified in the Master Trust Deed. These circumstances include:

- amendments of a minor, administrative, formal or technical nature;
- amendments that are to correct a manifest error;
- amendments that are to comply with the requirements or a modification of the requirements of any applicable law or any rules of any stock exchange;
- amendments that are necessary for the purpose of obtaining or maintaining a quotation of the Bonds on any stock exchange;
- amendments that reflect an exemption granted to the Issuer, or an exemption that is applicable to the Issuer, in relation to any obligation imposed upon the Issuer by or pursuant to the Securities Act 1978, the Companies Act 1993 or the Financial Reporting Act 1993 which is materially the same as or analogous to any obligation of the Issuer under the Trust Documents or the Bonds; and
- amendments in respect of any of the provisions of the Trust Documents relating to reporting to the Trustee, the Trustee's fees, expenses and indemnities or the exercise of the Trustee's powers.

The above circumstances are also subject to the general requirement that the Issuer and the Trustee must each be of the opinion that the amendment will not be materially prejudicial to the interests of Bondholders generally.

In addition, the Trustee may temporarily vary the provisions of the Trust Documents for such period and on such terms as:

- may be deemed appropriate provided that the Trustee is satisfied that the interests of the affected Bondholders generally will not be materially and adversely prejudiced; or
- may be agreed by the Trustee to reflect an exemption of the nature referred to above as an amendment that can be made without Bondholder approval.

Any amendment to the Trust Documents will be binding on all Bondholders and will only be effective if it is in writing and signed by the Issuer and the Trustee.

### Substituted Obligor

The ability of the Issuer to substitute an alternative obligor under the Bonds is described under the heading *Who is involved in providing it for me?* on page 14.

### 8. How do I cash in my investment?

#### Maturity Date

The Principal Amount of the Bonds will be repaid by the Issuer on the Maturity Date specified in the Final Terms Sheet for the Bonds.

The Issuer does not have any right to repay the Bonds prior to the Maturity Date.

#### Redemption by Bondholders

Bondholders have no right to require redemption of the Bonds, except in the case of an Event of Default. This means that Bondholders have no ability to cash in their investment, except following an Event of Default or by selling their Bonds in the secondary market (if one develops).

#### Transfer of Bonds

Bondholders are entitled to sell or transfer their Bonds at any time subject to the terms of the Trust Documents and applicable securities laws and regulations.

Applicants should not attempt to sell Bonds until they know whether, and how many, Bonds have been allotted to them. None of the Issuer, the Lead Manager, the Organising Participant, the Co-Manager, the Trustee, nor any of their respective directors or employees, nor any other person, accepts any liability or responsibility should any applicant for Bonds attempt to sell or otherwise deal with any Bonds before receiving from the Registrar a statement recording the number of Bonds (if any) allotted to them.

Transactions in respect of any quoted Bonds on the NZDX Market can be made by contacting an NZX Primary Market Participant.

A Bondholder may transfer part of its interest in a Bond. However, no transfer of Bonds or any part of a Bondholder's interest in a Bond will be registered if the transfer would result in the transferor or the transferee holding or continuing to hold Bonds with an aggregate Principal Amount of less than \$10,000 (unless that amount is zero) or integral multiples other than \$1,000.

It is expected that there will be a secondary market for the Bonds. However, the Issuer gives no assurances as to the existence or characteristics of such secondary market.

Brokerage at applicable rates is likely to be payable by a Bondholder on any transfer of the Bondholder's Bonds effected through an NZX Primary Market Participant.

### 9. Who do I contact with enquiries about my investment?

Enquiries about the Bonds can be directed to:

#### The Issuer at:

Chief Financial Officer  
Auckland International Airport Limited  
First Floor  
Jean Batten International Terminal  
Auckland Airport  
Manukau 2022

Telephone: +64 9 255 9106  
Facsimile: +64 9 275 4927  
Email: bondissue@aucklandairport.co.nz

OR

#### The Registrar for the Bonds at:

Manager Fixed Interest Registry  
Link Market Services Limited

Postal address:  
PO Box 91976  
Auckland 1142

Physical address:  
Level 16  
Brookfields House  
19 Victoria Street West  
Auckland 1010

Telephone: +64 9 375 5998  
Facsimile: +64 9 375 5990  
Email: Lmsenquiries@linkmarketservices.com

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**10. Is there anyone to whom I can complain if I have problems with the investment?**

Any complaints about the Bonds can be directed to:

**The Issuer at:**

Chief Financial Officer  
Auckland International Airport Limited  
First Floor  
Jean Batten International Terminal  
Auckland Airport  
Manukau 2022

Telephone: +64 9 255 9106  
Facsimile: +64 9 275 4927  
Email: [bondissue@aucklandairport.co.nz](mailto:bondissue@aucklandairport.co.nz)

OR

**The Registrar for the Bonds at:**

Manager Fixed Interest Registry

Link Market Services Limited

Postal address:  
PO Box 91976  
Auckland 1142

Physical address:  
Level 16  
Brookfields House  
19 Victoria Street West  
Auckland 1010

Telephone: +64 9 375 5998  
Facsimile: +64 9 375 5990  
Email: [Lmsenquiries@linkmarketservices.com](mailto:Lmsenquiries@linkmarketservices.com)

OR

**The Trustee for the Bonds at:**

The New Zealand Guardian Trust Company Limited  
Vero Centre  
48 Shortland Street  
PO Box 1934  
Auckland

Telephone: +64 9 377 7300  
Facsimile: +64 9 377 7477  
Email: [ct-auckland@nzgt.co.nz](mailto:ct-auckland@nzgt.co.nz)

There is no ombudsman to whom complaints about the Bonds can be directed. However, the Trustee is a member of an external, independent dispute resolution scheme operated by Financial Services Complaints Limited (“FSCL”) and approved by the Ministry of Consumer Affairs and complaints. If the Trustee cannot agree on how to resolve your issue, you can refer the matter to FSCL by emailing [info@fscl.org.nz](mailto:info@fscl.org.nz), or calling FSCL on 0800 34 72 57, or by contacting the Complaint Investigation Officer, Financial Services Complaints Limited, Level 12, 45 Johnston Street, Wellington 6145.

Complaints may also be made to the Financial Markets Authority through their website [www.fma.govt.nz](http://www.fma.govt.nz).

**11. What other information can I obtain about this investment?**

**Financial statements, Trust Documents and annual reports**

Additional information about the Issuer or the Bonds, or both, is contained or referred to in the Prospectus, the Issuer’s financial statements, the Trust Documents and the Issuer’s annual reports.

A copy of the Issuer’s most recent annual consolidated financial statements (for the financial year ended 30 June 2011) and other documents of, or relating to, the Issuer (including the Prospectus and the Trust Documents) are filed on a public register which you may view on the Companies Office website ([www.business.govt.nz/companies](http://www.business.govt.nz/companies)). Copies of the publicly-filed documents may also be obtained (on payment of a fee) by telephoning the Ministry of Economic Development Business Service Centre on 0508 266 726 and may be accessed via the Issuer’s website at [www.aucklandairport.co.nz/en/Corporate/Investors/ResultsAndReports](http://www.aucklandairport.co.nz/en/Corporate/Investors/ResultsAndReports).

### On-request information

Bondholders are also entitled to request copies of:

- the most recent annual report of the Issuer (together with the annual audited consolidated financial statements) and all documents that are required to be incorporated in, attached to, or accompany those financial statements when delivered to the Registrar of Companies in accordance with the Financial Reporting Act 1993;
- the Trust Documents (incorporating any amendments thereto); and
- the registered Prospectus in respect of the Bonds.

This information will be made available to Bondholders free of charge upon a request in writing being made to the Issuer (at the address specified above) or the Registrar (at the address specified above).

### Ongoing reports to Bondholders

Bondholders will be sent a copy of the Issuer's half-yearly reports (including unaudited consolidated financial statements for the first six months of each financial year) and a copy of the Issuer's annual reports (including the Issuer's annual audited consolidated financial statements) if they tick the relevant box in the Application Form included at the back of this Investment Statement indicating that they wish to receive such reports. Alternatively the Issuer's annual reports and half-yearly reports will be made available via the "Investors" section of the Issuer's website at [www.aucklandairport.co.nz/en/Corporate/Investors/ResultsAndReports](http://www.aucklandairport.co.nz/en/Corporate/Investors/ResultsAndReports).

The Issuer is also required to make half-yearly and annual results announcements to NZX, and such other announcements as are required by the NZDX Listing Rules from time to time.

### Introduction

The returns on the Bonds will be affected by taxes. If a law requires the Issuer (which for the purposes of this section of this Investment Statement includes the Registrar acting on the Issuer's behalf) or the Trustee to deduct an amount in respect of taxes from a payment to a Bondholder, or to pay an amount of any levy in respect of such a payment, then the Issuer or the Trustee will deduct the amount for the taxes or levies and pay it to the relevant authority.

Neither the Issuer nor the Trustee is obliged to gross-up, indemnify or otherwise compensate or pay any additional amounts to the Bondholder as a consequence of or otherwise in connection with such deduction. Each Bondholder indemnifies the Issuer (which, as noted above, includes the Registrar) in respect of any payment which the Issuer becomes liable to make for or on account of tax payable by that Bondholder in relation to any Bond. The Issuer may deduct any indemnity payment from future amounts payable to that Bondholder.

The information set out below relates solely to New Zealand taxation and does not constitute taxation advice to any Bondholder. The information is believed by the Issuer to be correct as at the date of this Investment Statement. Taxation laws are subject to change, and such changes may materially affect your tax position with respect to an investment in the Bonds. You should seek qualified, independent financial and taxation advice before deciding to invest. In particular, you should consult your tax adviser in relation to your specific circumstances.

All Bondholders (including those resident outside New Zealand) must give written notice to the Registrar (or, where applicable, to the custodian/nominee registered as the Bondholder in respect of Bonds held on behalf of the beneficial owner) of their country of residence for taxation purposes and, if not New Zealand tax resident, whether the Bondholder is engaged in business in New Zealand through a branch or other fixed establishment in New Zealand. This requirement for written notice is satisfied for initial Bondholders where the relevant parts of the Application Form are completed by applicants.

### Resident withholding tax: Resident Bondholders

For Bondholders who are New Zealand tax resident or who are engaged in business in New Zealand through a fixed establishment in New Zealand ("**Resident Bondholders**"), resident withholding tax ("**RWT**") will be deducted from the gross amount of interest paid or credited to them in accordance with the provisions of the Income Tax Act 2007.

In respect of an individual or trustee Bondholder, RWT will be deducted at the rate of 33% if the Bondholder fails to supply their IRD number to the Issuer. If an IRD number is supplied, then the following RWT rates will apply:

- 17.5%, if the Bondholder's IRD number is supplied to the Registrar, unless the Bondholder elects for RWT to be deducted at a rate of 30% or 33% (the 17.5% rate is only available to corporate Resident Bondholders acting in their capacity as a trustee);
- 10.5%, where the Bondholder is an individual and has a reasonable expectation that their income for the income year will be \$14,000 or less, or is a trustee of a testamentary trust who chooses to apply this rate;
- where the Commissioner of Inland Revenue considers that RWT is withheld at a rate that is inconsistent with a Bondholder's marginal tax rate, the Commissioner may provide the Issuer with the RWT rate for the Bondholder which the Issuer must use.

In respect of a corporate Bondholder (other than a corporate trustee), RWT will be deducted at the rate of 33% if the Bondholder fails to supply its IRD number to the Issuer. If an IRD number is supplied, then the following RWT rates will apply:

- 28%, where the corporate Bondholder (other than a corporate trustee) chooses to apply this rate; or
- 33%, where the corporate Bondholder (other than a corporate trustee) chooses to apply this rate.

For individual or trustee Bondholders who supply their IRD number to the Issuer but fail to notify the Issuer of their chosen RWT rate, RWT will be deducted at the default rate of 33%. For corporate Bondholders (other than corporate trustees) who supply their IRD number to the Issuer but fail to notify the Issuer of their chosen RWT rate, RWT will be deducted at the default rate of 28%.

Bondholders that are companies (other than corporate trustees) must notify the Issuer that they are a company by ticking the appropriate box in the Application Form.

Joint Bondholders will be taxed at the highest applicable rate described above, as if they were one person.

A tax credit for RWT deducted will be available against any income tax liability of the Bondholder.



Depending on the Resident Bondholder's level of annual income, electing an RWT rate lower than the Bondholder's personal tax rate may result in a requirement to file a tax return (or the provision of an income statement by Inland Revenue), to account for the tax shortfall. Conversely, if a Resident Bondholder elects an RWT rate higher than the Bondholder's personal tax rate, a tax return may need to be filed in order to obtain the relevant tax refund. Bondholders are urged to seek tax advice in this respect by reference to their particular circumstances.

Resident Bondholders should notify the Registrar of any changes to their elected RWT rate as a result of amendments to the available rates or changes in their particular circumstances.

RWT will not be deducted where the Resident Bondholder provides a copy of a current RWT exemption certificate which remains current until the time of payment to the Registrar.

### Approved issuer levy and non-resident withholding tax: Non-Resident Bondholders

The Issuer has registered, or will register, the Bonds with Inland Revenue for purposes of the approved issuer levy ("AIL") regime. Unless otherwise agreed, the Issuer will, where it is lawfully able to do so, deduct AIL (currently 2% of amounts treated as interest) from payments made or credited to Bondholders who are not Resident Bondholders ("**Non-Resident Bondholders**"), i.e. Bondholders who are not New Zealand tax resident and do not engage in business in New Zealand through a fixed establishment in New Zealand.

Non-Resident Bondholders may request by written notice to the Registrar that AIL not be deducted from interest paid or credited in respect of their Bonds, and that non-resident withholding tax ("**NRWT**") be deducted instead, at the rate required by law (as reduced by any applicable double tax agreement, where the Non-Resident Bondholder provides satisfactory evidence to the Registrar of entitlement to such reduced rate).

If the Non-Resident Bondholder derives interest under the Bonds jointly with one or more New Zealand tax residents, NRWT must be deducted from the interest paid or credited to the Non-Resident Bondholder at the applicable RWT rate, as reduced by any applicable double tax agreement (with evidence as discussed above).

The Taxation (International Investment and Remedial Matters) Bill, currently before Parliament, proposes to introduce a 0% rate of AIL for interest on listed or widely held bonds, although this has not yet been passed into law. If passed in its current form, it is expected that the Bonds should satisfy the relevant requirements. If this is the case, then the Issuer will, where it is lawfully able to do so, apply the 0% rate of AIL to payments made or credited to Non-Resident Bondholders.

### New Zealand income tax implications: FA Bondholders

By acquiring Bonds, Bondholders who are New Zealand tax resident or are engaged in business in New Zealand through a fixed establishment in New Zealand and who are acquiring Bonds for the purpose of that business ("**FA Bondholders**") will be entering into a financial arrangement which is subject to the "financial arrangements rules" in the Income Tax Act 2007. Interest paid to FA Bondholders under the Bonds will be income that is taxable at the Bondholder's relevant tax rate (with a credit for any RWT deducted – see above).

The timing of that income will be governed by the financial arrangements rules. The financial arrangements rules may require that interest income be spread over the life of the Bonds. For most individual (as opposed to corporate) FA Bondholders this should not be the case, as they should constitute "cash basis persons" for the purposes of the financial arrangements rules – but this can only be established by actual application of the financial arrangements rules.

The financial arrangements rules may cause FA Bondholders to derive income on the transfer of Bonds held by them. For example, if gains are made on the transfer of Bonds by FA Bondholders, the "base price adjustment" performed under the financial arrangements rules will bring the gain to account for New Zealand tax purposes and will cause those gains to be included in their income.

Bondholders should ascertain whether New Zealand's provisional tax rules apply to their individual situations.

## Part 6 – Glossary

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In this Investment Statement, unless the context otherwise requires:

“**Airport**” means the international airport at Auckland.

“**Application Form**” means the application form attached to this Investment Statement.

“**Auckland Airport**” means Auckland International Airport Limited.

“**Base Rate**” means the rate per annum expressed on a percentage yield basis, and rounded up to the nearest two decimal places, which is determined by the Issuer in consultation with the Lead Manager to be the mid point of the bid and offered swap rate displayed at or around 2:00pm, New Zealand time (or such other time as determined by the Issuer in consultation with the Lead Manager), on the Rate Set Date on page ICAPAUKIWISWAP (or any successor page) of the Reuters monitor screen for an interest rate swap with a term from the Issue Date to the Maturity Date for the Bonds. If such rate does not appear on page ICAPAUKIWISWAP (or there is no successor page), the relevant Base Rate shall be the average of the mid point of the bid and offered swap rates quoted by three registered banks in New Zealand selected by the Issuer in consultation with the Lead Manager at or around 3:00pm New Zealand time, on the Rate Set Date for an interest rate swap with term from the Issue Date to the Maturity Date for the Bonds.

“**Bond Moneys**” means, in relation to a Bond at any time, the Principal Amount, interest and other moneys payable on, or in relation to, that Bond to the relevant Bondholder.

“**Bondholder**” means a person whose name is recorded in the Register as the holder of a Bond.

“**Bonds**” means the bonds offered pursuant to this Investment Statement and the Prospectus.

“**Book Build**” means the process carried out by the Lead Manager prior to the Opening Date under which approved participants are invited to lodge bids on the Bonds. Those bids will form the basis on which the Issuer and the Lead Manager will determine the Firm Allocations.

“**Business Day**” means any day (other than a Saturday or a Sunday) on which banks are generally open for business in Auckland and Wellington except that in the context of the NZDX Listing Rules, it means a day on which the NZDX Market is open for trading.

“**Closing Date**” means the closing date specified in the Final Terms Sheet for the Bonds.

“**Co-Manager**” means Craigs Investment Partners Limited.

“**Contingent Liabilities**” means the aggregate of all contingent liabilities of the Group. A full definition of this term is set out in the Master Trust Deed.

“**Dollars**”, “**NZ\$**” and “**\$**” means the lawful currency of New Zealand.

“**Event of Default**” has the meaning given to that term in the Trust Documents, as summarised in the Prospectus.

“**Extraordinary Resolution**” means:

- (a) a resolution passed at a meeting of Bondholders (or a class of Bondholders, if applicable) at which at least 75% of such Bondholders (or that class of Bondholders) voting at the meeting, vote in favour of the resolution or, if a poll is duly demanded, then at least 75% of votes cast on that poll support the resolution; or
- (b) a resolution in writing signed by not less than 75% of Bondholders (or a class of Bondholders, if applicable) having the right to vote on that resolution, holding in aggregate. Bonds conferring the right to cast not less than 75% of the votes which could be cast on that resolution.

“**Final Terms Sheet**” means the terms sheet for the Bonds prepared and issued with, and forming part of, this Investment Statement which specifies, amongst other things, the important dates, Margin and Interest Rate in respect of the Bonds.

“**Firm Allocation**” means Bonds reserved for clients of the Lead Manager, Co-Manager, institutional investors and other approved participants in the Book Build, as determined by the Lead Manager in consultation with the Issuer.

“**Group**” means, at any date, the Issuer and its Subsidiaries at that date.

“**Interest Payment Date**” means each interest payment date specified in the Final Terms Sheet for the Bonds.

“**Interest Rate**” means in relation to a Bond offered under this Investment Statement, the rate of interest per annum payable on the face value of that Bond as specified in the Final Terms Sheet for the Bonds.

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**“Issue Date”** means the issue date specified in the Final Terms Sheet for the Bonds.

**“Issuer”** means Auckland International Airport Limited.

**“Lead Manager”** means Bank of New Zealand.

**“Margin”** means the margin, expressed as a percentage per annum, determined by the Issuer in consultation with the Lead Manager, for the offering of the Bonds, and specified in the Final Terms Sheet for the Bonds. The Margin plus the Base Rate constitute the Interest Rate for the Bonds.

**“Master Trust Deed”** means the master trust deed dated 9 July 2004 entered into by the Issuer and the Trustee pursuant to which certain bonds may be constituted.

**“Maturity Date”** means the maturity date specified in the Final Terms Sheet for the Bonds.

**“NZClear System”** means the securities clearing and settlement facility operated by the Reserve Bank of New Zealand and known as the NZClear System.

**“NZDX Market”** means the New Zealand debt market operated by NZX.

**“NZX”** means NZX Limited.

**“Offer”** means the offer of Bonds by the Issuer under the Prospectus, this Investment Statement and the Final Terms Sheet.

**“Opening Date”** means the opening date specified in the Final Terms Sheet for the Bonds.

**“Organising Participant”** means Bank of New Zealand.

**“Principal Amount”** means, in relation to a Bond, the amount (other than interest) payable on redemption or repayment of that Bond, being the amount recorded as such in the Register in respect of that Bond.

**“Prospectus”** means the prospectus for the Bonds dated 29 September 2011.

**“Rate Set Date”** means the rate set date specified in the Final Terms Sheet for the Bonds.

**“Record Date”** means, in relation to a payment due on a Bond, the tenth calendar day before the relevant Interest Payment Date or Maturity Date or if that tenth day is not a Business Day, the Business Day immediately preceding such day.

**“Register”** means any register of Bonds maintained by the Registrar.

**“Registrar”** means Link Market Services Limited.

**“Subsidiary”** means, in relation to any person:

(a) a subsidiary within the meaning of section 5 of the Companies Act 1993; or

(b) a subsidiary in accordance with generally accepted accounting practice in New Zealand.

**“Supplemental Trust Deed”** means the supplemental trust deed dated 29 September 2011 entered into by the Issuer and the Trustee pursuant to the Master Trust Deed, under which the Bonds are constituted.

**“Total Secured Liabilities”** means that portion of the aggregate amount of all liabilities of the Group in respect of which the Group has created, assumed, permitted or caused to exist any encumbrance. A full definition of this term is set out in the Master Trust Deed.

**“Total Tangible Assets”** means the aggregate of the book values of all tangible assets (being all assets other than future tax benefits, goodwill, patents, trademarks, underwriting and formation expenses and other items of a like nature which according to generally accepted accounting practice in New Zealand (as defined in section 3 of the Financial Reporting Act 1993) are regarded as intangible assets) of the Group. A full definition of this term is set out in the Master Trust Deed.

**“Trust Documents”** means the Master Trust Deed and the Supplemental Trust Deed.

**“Trustee”** means The New Zealand Guardian Trust Company Limited.

# Part 7 – Application Form

## Application Instructions

You should read this Investment Statement and the Final Terms Sheet carefully before completing an Application Form.

An application will constitute an irrevocable offer by the applicant to subscribe for and acquire the Principal Amount of Bonds specified on the Application Form (or such lesser amount which the Issuer may determine) on the terms and conditions set out in this Investment Statement, the Trust Deed and on the Application Form. An application cannot be withdrawn or revoked by the applicant once it has been submitted.

The Issuer's decision on the aggregate Principal Amount of Bonds to be allotted to an applicant and as to whether to accept or reject an Application Form, or to treat it as valid, will be final.

## The Application Form

### A = Investor Details

Insert your full name(s), address and telephone numbers. Applications must be in the name(s) of natural persons, companies or other legal entities, up to a maximum of three names per application. Use the table below to see **how to write your name correctly**.

Type of applicant:	Correct way to write name:	Incorrect way to write name:
<b>Individual person</b>	JOHN SMITH	J SMITH
<b>More than one person</b>	JOHN SMITH MICHELLE SMITH	J & M SMITH
<b>Company</b>	ABC LIMITED	ABC
<b>Trusts</b>	JOHN SMITH (JOHN SMITH FAMILY A/C)	SMITH FAMILY TRUST
<b>Partnerships</b>	JOHN SMITH MICHAEL SMITH (JOHN SMITH & SONS A/C)	JOHN SMITH & SONS
<b>Clubs &amp; unincorporated associations</b>	JANE SMITH (SMITH INVESTMENT CLUB A/C)	SMITH INVESTMENT CLUB
<b>Superannuation funds</b>	JOHN SMITH LIMITED (SUPERANNUATION FUND A/C)	JOHN SMITH SUPERANNUATION FUND

By supplying your **mobile number** you will enable the Registrar to advise you by TXT Alerts (post allotment) of any changes on your holding balance, or if your bank account details or address on register change, or if a new/replacement FIN has been requested. This feature provides additional security to you as an investor.

### B = Application Payment Details

Payment must be made in New Zealand dollars for immediate value by a personal cheque (or, if the application is for Bonds of an aggregate Principal Amount of \$500,000 or more, by bank cheque or other method approved by the Lead Manager), direct debit, or through the NZClear System (**institutional investors only**) by prior arrangement.

Complete the TOTAL Principal Amount of Bonds applied for. Note the **minimum amount and integral multiples** that are stated in the Application Form. Please advise payment method and bank account details for future interest payments.

#### Option 1:

**If you choose the direct debit option** you must **tick the box authorising the Registrar to direct debit** the bank account nominated on the Application Form, **on the day the Application Form is received by the Registrar**, for the TOTAL Principal Amount applied for on the Application Form. The bank account must be with a **New Zealand registered bank**. You cannot specify a direct debit date and you must ensure that:

- the bank account details supplied are correct;
- the application funds in the bank account for direct debit are available on the **day the Registrar receives the Application Form**;
- **the person(s) giving the direct debit instruction has/have the authority to operate the account solely/jointly**; and
- **the bank account you nominated is a transactional account eligible for direct debit transactions**. If you are uncertain you should contact your bank.

**Should your direct debit fail, your application will be rejected**. If requested, a direct debit authority form will be provided to you by the Registrar. Refer to the contact details on the Application Form.

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### Option 2:

By a personal cheque in New Zealand dollars. Cheques must be made payable to "Auckland Airport Bond Offer", crossed "Not Transferable" and **must not be post-dated as cheques will be banked on day of receipt**. If an applicant's cheque is dishonoured, the Issuer may cancel that applicant's allotment of Bonds and pursue any other remedies available to it at law.

### Option 3:

Applicants who are members of the NZClear System may, by prior arrangement with the Registrar, settle their applications for the Bonds through the NZClear System with the Registrar up to and including the allotment date.

### C = Holder Number Details

If you have other investments registered under a Common Shareholder Number (**CSN**) you must supply your CSN in the space provided. The name and address details on your Application Form must correspond with the registration details under that CSN. If you do not provide a CSN it will be deemed that you do not have a current CSN and a base registry number and FIN will be allocated to you at allotment of the Bonds.

If you do not have a CSN but do hold shares in Auckland International Airport under a base registry number please provide that shareholder number in this space.

### D = Provide your IRD number

This is only relevant if you are a New Zealand tax resident Investor or have a fixed establishment (branch) in New Zealand. If so, RWT will be deducted from any interest paid to you (unless you provide a copy of a valid RWT exemption certificate). Tick the RWT rate box that applies to you. If you are exempt from RWT, please tick the exempt box and attach **a copy** of your RWT exemption certificate. Only one IRD number is required per joint holding.

### E = Electronic Investor Correspondence

By supplying your email address your investor correspondence will be delivered to you electronically where possible. This is a much more environmentally friendly, cost effective and timely option than paper based investor mail outs and the Issuer encourages you to complete this section.

### F = Signing and Dating

Read this Investment Statement, the Final Terms Sheet and the Application Form carefully and sign and date the Application Form.

The Application Form must be signed by the applicant(s) personally, or by two directors if a company (or one director if there is only one director, whose signature must be witnessed), or in either case by a duly authorised attorney or agent.

### G = Closing Date Delivery

This Offer will close at **5:00pm** on the Closing Date specified in the Final Terms Sheet. Applicants should remember that the Closing Date may be changed at the sole discretion of the Issuer. Changes will be advised by NZX announcement. The Issuer reserves the right to refuse to accept applications received by the Registrar after the Closing Date. Your Application Form should be delivered in accordance with the instructions contained in the Application Form and this Investment Statement.

### H = Certificate of Non-Revocation of Power of Attorney

If the Application Form is signed by an attorney, the power of attorney document is not required to be lodged, but the attorney must complete the certificate of non-revocation of power of attorney on the reverse of the Application Form.

### I = Certificate of Non-Revocation of Agent

If the Application Form is signed by an agent, the agent must complete the certificate of non-revocation of agent on the reverse of the Application Form.

Joint applicants must each sign the Application Form.

### Personal Information Rights

Personal information provided by you will be held by the Issuer and the Registrar at their respective addresses shown in the Directory on the inside back cover of this Investment Statement or at such other place as is notified upon request. This information will be used for the purpose of managing your investment. You have a right to access and correct any personal information about you under the Privacy Act 1993. You can also access your information on the Link Market Services website: [www.linkmarketservices.com](http://www.linkmarketservices.com). (You will be required to enter your holder number and FIN).

### Issuer

#### **Auckland International Airport Limited**

Jean Batten International Terminal  
First Floor  
Auckland Airport  
PO Box 73020  
Manukau 2150

### Directors of the Issuer

Joan Withers (Chair)  
Keith Sharman Turner (Deputy Chair)  
John Alston Brabazon  
Richard John Didsbury  
Brett Alan Godfrey  
Sir Henry William van der Heyden  
James Bruce Miller  
Hugh Richmond Lloyd Morrison

### Lead Manager and Organising Participant

#### **Bank of New Zealand**

Deloitte Centre  
Level 6  
80 Queen Street  
Private Bag 92208  
Auckland 1142

### Co-Manager

#### **Craigs Investment Partners Limited**

Craigs Investment Partners House  
158 Cameron Road  
PO Box 13 155  
Tauranga 3141

### Registrar

#### **Link Market Services Limited**

Postal address:  
PO Box 91976  
Auckland, 1142

Physical address:  
Level 16  
Brookfields House  
19 Victoria Street West  
Auckland 1010

Telephone: +64 9 375 5998  
Email: [Lmsenquiries@linkmarketservices.com](mailto:Lmsenquiries@linkmarketservices.com)

### Trustee

#### **The New Zealand Guardian Trust Company Limited**

Vero Centre  
48 Shortland Street  
PO Box 1934  
Auckland

### Legal Advisers To The Issuer

#### **Russell McVeagh**

Vero Centre  
48 Shortland Street  
PO Box 8  
Auckland

### Legal Advisers To The Trustee

#### **Chapman Tripp**

ANZ Centre  
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# Final Terms Sheet

## For Fixed Rate Bonds

Current at 7 October 2011

This Final Terms Sheet is prepared in respect of, issued with, and referred to in, the Investment Statement and the Prospectus dated 29 September 2011 prepared by Auckland International Airport Limited for the offer of up to \$100 million of fixed rate bonds.

Capitalised terms used in this Final Terms Sheet have the defined meanings which appear in the Investment Statement.

<b>Issuer</b>	Auckland International Airport Limited
<b>Description of Bonds</b>	Direct, unsecured, unsubordinated, fixed rate debt obligations of Auckland International Airport Limited
<b>Issuer Rating</b>	A- Standard & Poor's (Stable outlook)
<b>Issue Rating</b>	A- Standard & Poor's
<b>Issue Amount</b>	Up to \$100,000,000
<b>Purpose</b>	The net proceeds from the sale of Bonds will be used for the general operations of the Issuer, including retirement of debt, capital expenditure and growth opportunities.
<b>Lead Manager and Organising Participant</b>	Bank of New Zealand
<b>Co-Manager</b>	Craigs Investment Partners Limited
<b>Rate Set Date</b>	7 October 2011
<b>Opening Date</b>	10 October 2011
<b>Closing Date</b>	13 October 2011
<b>Issue Date</b>	17 October 2011
<b>Tenor</b>	6 years
<b>Maturity Date</b>	17 October 2017
<b>Expected date of initial quotation and trading on NZDX</b>	It is intended that quotation on the NZDX Market will occur within a reasonable time, and in any event not later than 10 Business Days, after the Closing Date.



Lead Manager and  
Organising Participant



Co-Manager



<b>Interest Payment Dates</b>	17 April and 17 October in each year until and including the Maturity Date
<b>First Interest Payment Date</b>	17 April 2012
<b>Denomination, minimum application and minimum holding amount</b>	\$1.00 per Bond. The minimum application and holding amount in respect of the Bonds is \$10,000 and multiples of \$1,000 thereafter.
<b>Interest Rate</b>	5.47% per annum (being the aggregate of the Base Rate and the Margin on the Rate Set Date)
<b>Base Rate</b>	3.97%
<b>Margin</b>	1.50%
<b>Record Date</b>	10 calendar days before an Interest Payment Date or, if not a Business Day, the immediately preceding Business Day
<b>Governing Law</b>	New Zealand
<b>Listing</b>	NZDX (Ticker Code: AIA110)
<b>Registrar</b>	Link Market Services Limited
<b>ISIN</b>	NZAIADT110L3

The Bonds are offered by Auckland International Airport Limited on the terms and conditions set out or referred to in the Investment Statement and registered Prospectus dated 29 September 2011. **Applications must be made on the Application Form contained in the Investment Statement** and be for a minimum Principal Amount of \$10,000 and thereafter in multiples of \$1,000. Allotment of Bonds will only be made on receipt of such an Application Form.

Application has been made to NZX for permission to list the Bonds and all the requirements of NZX relating thereto that can be complied with on or before the distribution of the Investment Statement, have been duly complied with. However, the Bonds have not yet been approved for trading and NZX accepts no responsibility for any statement in the Investment Statement. NZX is a registered exchange, and the NZDX is a registered market under the Securities Markets Act 1988.

**FOR AN INVESTMENT STATEMENT PLEASE CONTACT:**

Bank of New Zealand (Lead Manager and Organising Participant) phone (09) 375 1391,  
 Craigs Investment Partners Limited (Co-Manager) freephone 0800 226 263, or any other NZX Firm.