



Media Release | 27 January 2010

Auckland International Airport Limited announces NZ\$126.4 million pro rata entitlement offer

Auckland International Airport Limited ("**Auckland Airport**") announced today its intention to raise NZ\$126.4 million through a fully underwritten pro rata entitlement offer ("**Offer**").

Eligible shareholders will be entitled to subscribe for 1 new share for every 16 shares held at 7.00pm (NZT) on the record date of 1 February 2010 ("**Record Date**"). The application price for the new shares is NZ\$1.65 each.

The Offer is fully underwritten by Credit Suisse (Australia) Limited and First NZ Capital Securities Limited, the Joint Lead Managers.

A simplified disclosure prospectus for the Offer ("**Prospectus**") has been registered with the Companies Office and is available free of charge on the company's website www.aucklandairport.co.nz. Copies of the Prospectus will be dispatched to eligible shareholders on 2 February 2010.

As previously announced, on 13 January 2010 Auckland Airport acquired 24.55% of Cairns and Mackay airports in Queensland, Australia for A\$132.8 million (approximately NZ\$166.7 million) ("**Acquisition**"). The Acquisition was financed from existing debt facilities and Auckland Airport will use the proceeds of the Offer to repay a portion of the debt drawn down to pay for the Acquisition.

Offer structure

The Offer is a pro rata entitlement offer, comprising four parts:

- The Institutional Entitlement Offer - the Joint Lead Managers will seek to approach all eligible institutional shareholders, who each may take up all, part or none of their entitlements by 2.00pm (New Zealand time) on 28 January 2010.
- The Institutional Bookbuild - new shares attributable to lapsed entitlements under the Institutional Entitlement Offer (including those attributable to ineligible institutional shareholders) will be offered to institutional investors in an Institutional Bookbuild on 29 January 2010.
- The Retail Entitlement Offer - eligible retail shareholders will be sent a Prospectus together with a personalised entitlement and acceptance form and each may take up all, part or none of their entitlements by 7.00pm (New Zealand time) on 18 February 2010.

- The Retail Bookbuild - new shares attributable to lapsed entitlements under the Retail Entitlement Offer (including those attributable to ineligible retail shareholders) will be offered to institutional investors in a Retail Bookbuild on 22 February 2010.

Participation in the Institutional Entitlement Offer is limited to institutional shareholders in Auckland Airport who, as at 7.00 pm (NZT) on the Record Date, are Institutional Investors (as defined in the Prospectus) and are entitled to receive an offer as agreed by Auckland Airport and the Joint Lead Managers.

Shareholders are eligible to participate in the Retail Entitlement Offer if they are registered as an Auckland Airport shareholder at 7.00 pm (NZT) on the Record Date with a registered address in Australia and New Zealand and are not Institutional Investors (as defined in the Prospectus).

A notable feature is that the institutional component of the Offer is accelerated and occurs over the three days immediately following this announcement. Additionally, there is no rights trading. Instead, entitlements not taken up or attributable to ineligible shareholders will be offered to institutional investors through bookbuilds run by the Joint Lead Managers. Any premium achieved above the application price for the new shares in the bookbuilds will be returned (with no brokerage costs deducted) to those shareholders who do not take up their entitlements or who are ineligible to do so.

The Offer structure is a first in terms of equity raisings in New Zealand, although this structure is well accepted and frequently used in Australia.

Auckland Airport considers that this Offer structure provides several benefits to shareholders. These benefits include the following:

- Retail shareholders eligible to participate in the Offer will have the benefit of knowing the outcome of the Institutional Entitlement Offer and Institutional Bookbuild prior to deciding whether or not to take up their entitlements.
- Shareholders will not be required to pay any brokerage or incur other transaction costs in order for their entitlements to be offered under the bookbuilds. Under a traditional rights issue, shareholders selling their entitlements would generally be required to pay brokerage.
- Shareholders who, for any reason, would be unable to sell their entitlement under a traditional rights issue may in this Offer still receive some value for their entitlement via any premium above the new share application price paid in the bookbuilds. Under a traditional rights issue, those shareholders would receive no value for their rights if they were not sold during the rights trading period.

Auckland Airport's chairman, Tony Frankham, commented: "The directors considered the accelerated renounceable entitlement offer structure is preferable to other alternatives such as a traditional rights issue or private institutional placement."

“It achieves an appropriate balance between our desire to give existing shareholders the best possible opportunity to participate or alternatively potentially obtain value from their entitlement, while at the same time achieving a streamlined and efficient equity raising that benefits the company and safeguards the broader interests of all shareholders.”

Strong capital structure maintained

On 12 January 2010, Auckland Airport announced that its credit rating and outlook are unaffected by the Acquisition.

Mr Frankham said, “The acquisition of a stake in the North Queensland airports is a significant milestone for Auckland Airport as part of our strategy to grow beyond our core business in Auckland and opens up exciting new opportunities to access higher growth international passenger markets. The Offer allows Auckland Airport to carry out the Acquisition and at the same time maintain its credit rating.”

“With our strong investment grade credit rating maintained, the directors of Auckland Airport believe the company is well placed to take advantage of the recovery from the global financial crisis.”

Trading performance for the six months ended 31 December 2009

The Prospectus registered today includes financial information of Auckland Airport derived from unaudited management results for the six months ended 31 December 2009.

A summary of financial results for the six months ended 31 December 2009 are shown in the table below.

Summary of 1H10 results¹	Amount	Movement compared to 1H09
Total passenger volumes	6,782,242	+2.3%
International passenger volumes (excluding transits / transfers)	3,274,250	+1.4%
Domestic passenger volumes	3,046,882	+6.1%
Aircraft movements	78,162	-2.9%
Aircraft tonnage (tonnes)	2,874,948	-4.5%
Revenue	NZ\$182.9m	-0.6%
Operating EBITDA ²	NZ\$138.8m	+0.1%
Profit after tax, excluding investment property fair value adjustment	NZ\$54.0m	+4.7%
Profit after tax, including investment property fair value adjustment	NZ\$54.0m	+451.0%

1. The results shown in the above table and in the Prospectus are based on unaudited management results for the six months ended 31 December 2009. Auckland Airport's financial results for the six months ended 31 December 2009 are due to be released at the end of February 2010 and may differ from the results shown in this document. Auckland Airport's financial results for the six months ended 31 December 2009 are subject to finalisation and review by Auckland Airport's auditors.

2. Operating earnings before interest, tax, depreciation and amortisation, and before investment property fair value decreases or increases.

In the six months ended 31 December 2009, total passenger volumes rose 2.3 percent when compared to the previous corresponding period to 6,782,242, driven by increases on trans-Tasman routes and growth in domestic travel passenger numbers due to strong competition.

Total aircraft movements are down 2.9 percent in the six months ended 31 December 2009 when compared to the previous corresponding period, which reflects the decreased frequency of aircraft movements on domestic routes offset by increased frequency of aircraft movements on international routes.

Total revenue decreased 0.6 percent to NZ\$182.9 million in the six months ended 31 December 2009 when compared to the previous corresponding period. The decrease was largely as a result of a reduction in retail revenue, impacted from the reversion to a dual operator model for the duty free business as requested by the Commerce Commission and the disruption caused by the construction work in the departures area. Aeronautical revenue in the six months ended 31 December 2009 remained consistent with the previous corresponding period.

Operating earnings before interest, taxation, depreciation and amortisation, and before accounting changes in the fair value of investment properties ("**Operating EBITDA**") of NZ\$138.8 million were achieved in the six months ended 31 December 2009, consistent with the Operating EBITDA of NZ\$138.7 million achieved in the six months ended 31 December 2008. This flat Operating EBITDA result was primarily caused by decreased retail revenues being offset by lower operating costs than during the previous corresponding period.

Auckland Airport is due to report its operating and financial results for the six months ended 31 December 2009 at the end of February 2010.

Key dates *

Institutional Entitlement Offer

Trading halt commenced and Institutional Entitlement Offer opens	27 January 2010
Institutional Entitlement Offer opens	28 January 2010
Institutional Bookbuild	29 January 2010
Record Date for determining entitlements	7.00pm (NZT), 1 February 2010
Trading halt lifted	Open of trading on the NZSX and ASX on 2 February 2010
Settlement of Institutional Entitlement Offer and Institutional Bookbuild	4 February 2010
New Shares allotted pursuant to Institutional Entitlement Offer and Institutional Bookbuild expected to commence trading on the NZSX and ASX	4 February 2010 on the NZSX 5 February 2010 on ASX

Retail Entitlement Offer

Record Date	7.00pm (NZT), 1 February 2010
Expected despatch of Prospectus and entitlement and acceptance forms	By 2 February 2010
Retail Entitlement Offer opens	2 February 2010
Retail Entitlement Offer closes	18 February 2010
Retail Bookbuild	22 February 2010
Settlement of Retail Entitlement Offer and Retail Bookbuild	25 February 2010
New Shares allotted pursuant to Retail Entitlement Offer and Retail Bookbuild expected to commence trading on the NZSX and ASX	25 February 2010 on the NZSX 26 February 2010 on ASX

* Dates may be subject to change.

Note on shares lending: *In the event that a shareholder has existing shares out on loan at the Record Date, the borrower will be regarded as the shareholder for the purposes of determining the entitlement (provided that those borrowed shares have not been on-sold).*

For further information, please contact:

Richard Llewellyn
Senior Communications Manager
Auckland Airport
+64 (0) 9 255 9089
+64 (0) 27 477 6120