

Auckland

Airport

looks

offshore

to grow

New Zealand

tourism

It's all part of the **plan**

With international passenger volumes by far our most important value-driver, generating more travel demand is going to be crucial to the future growth of both Auckland Airport and New Zealand tourism. That's why investing in new ways to build stronger air services connections, growing passenger volumes and gaining exposure to higher growth markets such as Asia makes complete sense. This is just one part of our strategy for growth. We are totally focused on using everything we have – our physical assets, people, knowledge and financial resources – to create healthier commercial relationships, ensure we are 'fighting fit' and find more innovative ways to develop our business. We are confident that the things we are doing today will pay off tomorrow.

1

Putting our customers first

Create a healthier commercial environment

Develop a more customer-centric approach which involves alignment of business operations with airlines

Facilitate a balanced and sustainable stable of airlines

Ensure stakeholders and regulators recognise the value Auckland Airport provides

Support alignment of ownership with strategy

2

Tightening our belts

Increase the focus on, and discipline of, cost efficiency and capital productivity

Ensure operations are fighting fit

Facilitate a continuous improvement culture

Apply greater scrutiny and discipline to capital management

3

Making the most of what we have

Unlock the full growth potential from the core business

Optimise the customer experience to drive pricing for services

Challenge commercial models to facilitate airport services differentiation

Pursue new route/airline/tourism development

Adopt a 'proactive landlord' approach in retail

Reinvigorate and grow property development

Improve performance of cargo business

4

Looking for new opportunities

Capture growth opportunities from the closest and most promising adjacencies

Pursue property development opportunities outside aeronautical-related property

Pursue new opportunities in cargo business

5

Beyond our business today

Pursue opportunistic but carefully selected step-outs aligned to core competencies

Invest beyond the current business and grounds where investment criteria are met

Contents

Performance

Introduction

Results at a glance

Stepping out

Cairns and Mackay

Growing air services

A better airport experience

Building stronger relationships

Corporate/Financial commentary

Financial Information

2 Income statement 13

5 Statement of comprehensive income 14

6 Statement of changes in equity 15

7 Statement of financial position 16

8 Consolidated cash flow statement 17

8 Notes to the financial statements 18

9 Review report 26

10

Auckland Airport growth strategy takes flight

In spite of challenging trading conditions, Auckland Airport maintained a firm strategic focus on driving growth initiatives over the half-year.

This focus on growth, while intended to build sustainable long-term success, has already generated momentum and delivered a string of business achievements. We are pleased with our strategic and operational progress over the last six months and our financial results are beginning to show some benefit from these accomplishments and an improving passenger volume trend.

Signs are emerging that the worst of the economic storm caused by the global financial crisis has passed and that negative pressures on aviation and travel are beginning to ease. International Air Transport Association (IATA) figures released recently showed that global passenger demand declined 3.5 percent in the 2009 calendar year, which IATA described as the "worst year the industry has ever seen". Encouragingly though, this decline slowed in the latter stages of the year and December 2009 global passenger demand was 4.5 per cent up on December 2008.

At Auckland Airport, we have seen our own signs of recovery, with our October to December quarter in particular showing consistent growth in Auckland Airport monthly passenger numbers on the back of increased tourism industry activity. We believe stability and confidence is slowly but surely returning to the New Zealand travel market.



Anthony Frankham
Chairman

Simon Moutter
Chief Executive

2010 half-year results at a glance

Total passenger movements up **2.3%**:

6,782,242

International passenger movement excluding transits up **1.4%**:

3,274,250

including transits down **0.6%**:

3,735,360

Domestic passenger movements up **6.1%**:

3,046,882

Aircraft movements down **2.9%**:

78,162

Total aircraft tonnage down **4.5%**:

**2,874,948
tonnes**

Revenue down **0.6%**:

\$182.9m

Operating EBITDA flat at:

\$138.8m

Depreciation:

\$27.2m (\$25.6 million)

Interest costs:

\$35.0m (\$40.0 million)

Tax expense of:

\$22.6m (\$21.5 million)

No change to fair value of investment property

Profit after tax:

\$54.0m

up **4.7%** excluding the impact of investment property revaluation in the prior period

Fully imputed interim dividend of **3.75 cents** per share to be paid on 31 March 2010

Earnings per share of **4.40 cents**



Stepping out

Auckland Airport has had a new growth strategy in place since March 2009. The vision behind our strategy is to grow beyond Auckland Airport to be the recognised market leader in creating value from businesses centred around hubs for the large-scale movement of people and goods.

Our growth strategy informs how we are using what we have – physical assets, people, knowledge and financial resources – to create healthier commercial relationships, ensure we are ‘fighting fit’ and find new ways to generate growth. We believe that even in difficult times growth is an essential airport focus. Growth is about creating value by building stronger air services connections, growing passenger volume, gaining exposure to high-growth markets and influencing travel and customer behaviour.

International passenger volume is by far our most important value-driver and with each international traveller spending an average of \$2,500 during their visit to New Zealand, more volume is good for our shareholders and good for the broader New Zealand economy.

Driving more travel demand from Asia is crucial to the future growth of both Auckland Airport and New Zealand tourism. In January 2010, IATA announced that Asia-Pacific has already become the world’s largest aviation market and the region is expected to be the world’s fastest growing over the next 20 years. While our primary air services development focus remains on direct Asian connections with Auckland, an important supporting strategy is to strengthen connections with other strategically located airports.

New air-services will help Cairns Airport to rebound.



Driving more travel demand is crucial for Auckland Airport and New Zealand tourism.

In January 2010, we purchased a 24.55 percent shareholding in Cairns and Mackay Airports in North Queensland. We appreciate that some shareholders were surprised by this acquisition. However, while making this investment may be a shift from historical expectations of Auckland Airport, it is consistent with our growth strategy and offers exposure to a high-growth market together with opportunities for us to influence passenger volume through air services development.

Recognising our strength as one of the leading airport operators in the world, we are looking to generate growth in volume through Auckland, Cairns and Mackay Airports by applying our skills where it makes most strategic sense.

Since indicating in March 2009 that we would pursue opportunistic but carefully selected step-outs, we have looked at a range of opportunities. After considerable assessment, we decided the strategic merits of this particular deal were substantial. Cairns Airport fits the bill in terms of its location, scale, focus on Asian tourism, shared goals to develop leisure travel in partnership with low-cost carriers and market diversification opportunities. Mackay offers additional diversified exposure to the booming Australian resources sector.

While Cairns Airport has been underperforming in recent years due to the decline in some key originating markets, we believe it is poised for a strong rebound, driven by improving tourism demand, new air services, the near-completion of a heavy capital expenditure phase, new Australian Federal Government initiatives to encourage foreign airlines to fly through regional international

airports such as Cairns and more than A\$45 million of committed government tourism support. Cairns Airport finished the 2009 calendar year with newly announced air services from Jetstar and Pacific Blue due to commence in March 2010.

As the only shareholder that is an airport operator, we will be able to work with the Cairns and Mackay Airport management teams, who are keen for us to support their efforts in working with new carriers, particularly low-cost carriers, and both New Zealand and Australian Government tourism agencies to accelerate tourism growth to North Queensland and New Zealand from the high-growth Asian economies.

We remain confident that the acquisition of a stake in Cairns and Mackay Airports provides Auckland Airport with a substantial potential upside. We accept full accountability to deliver on expectations and be judged on the results we achieve. To that end, we will be working with our new partners to set meaningful plans, targets and milestones for Cairns and Mackay Airports that are aligned with our ambitions for Auckland. Details of these targets will be provided later in 2010 following completion of the business planning cycle for all three airports.

That said, the North Queensland investment is relatively modest (around 5 percent) as a proportion of Auckland Airport’s total assets, and Auckland remains our core business. Our commitment to remaining right up there with the best airports in the world and developing more air services to help grow New Zealand tourism and trade will not be changing.

Cairns and Mackay



Tropical Queensland boasts two world heritage listed attractions: The Great Barrier Reef and The Wet Tropics Rainforest. (Image courtesy of Tourism Queensland)

About Cairns and Mackay Airports

Cairns Airport is Australia's seventh busiest airport, with approximately 3.7 million passengers in the year to 30 June 2009 (compared with Auckland Airport's 13 million passengers in the same period). It is the closest international airport to Asia on Australia's eastern seaboard and is the gateway to Tropical North Queensland, an internationally renowned tourism region boasting two World Heritage listed attractions: the Great Barrier Reef and the Wet Tropics Rainforests.

Mackay Airport is an important regional domestic airport with nearly 1 million passengers in the year to 30 June 2009. Mackay Airport is the main airport servicing the Bowen Basin, an important region for natural resources which contains one of the largest deposits of coal in the world. Mackay Airport also benefits from its close proximity to the Whitsunday resort islands.



Tropical North Queensland is a renowned tourism region. (Image courtesy of Tourism Queensland)

Growing air services

Travel behaviour is heavily influenced by changes in air services. We firmly believe Auckland Airport has a significant role to play in building destination preference for our country, by encouraging new airlines to fly to Auckland and existing airlines to open new routes and increase frequencies. The last six months have seen significant groundwork by our business development team to establish Auckland as a preferred destination. Some of this work has involved direct tourism promotional activity alongside industry partners such as airlines, tourism industry and government. Much of it has been about building well-researched business cases with airlines.

While the business development time frame for new air services is quite long, our partnering approach is already demonstrating benefits, with new charter services from Japan established for the summer season in partnership with Air New Zealand, new charter services from Taiwan established with EVA Air, new services between Cairns and Auckland commencing in March 2010 with Pacific Blue, increased services from Malaysian Airlines,

Pacific Blue and Emirates and a strong pipeline of other opportunities established by the team. These new opportunities are in addition to our earlier successes in securing Pacific Blue and Jetstar services at Auckland.

The special Air New Zealand charter flights from Japan to Auckland over summer were very popular, resulting in almost 900 additional Japanese tourists visiting New Zealand. While we are still exploring initial development opportunities such as these charters, we have been very encouraged by the positive signs emerging in Asian markets, which are critical for New Zealand's future. We're doing everything we can to foster growth and to work with innovative airlines who share our ambition to grow markets. It is vital for New Zealand's tourism sector that we have the necessary air services connections in place to reap the benefits as key source markets continue to emerge from the downturn. Auckland Airport is in a unique position to play our part both operationally and financially and we look forward to continuing to develop opportunities.

Emirates were one of several airlines to increase Auckland services in the last six months.



Auckland Airport has terminal capacity in place to manage air service and passenger growth.

A better airport experience



The successful launch of the Smart Gate is just one of many initiatives to improve the passenger experience at Auckland Airport.

Passenger experience at an airport is a multi-faceted challenge. Each of the millions of passengers who pass through Auckland Airport each year has their own unique needs, and our role is to provide an airport experience that offers a great range of choices. Despite being named as one of the 10 best airports in the world in 2009, we will not rest on our laurels. There are a huge number of new improvement initiatives currently under way at Auckland Airport.

The major redevelopment of our international departures area is on target, with the first stage involving a refreshed dining area and new shopping options now complete and already having a positive impact. There are many more improvements to come in the second and third stages, including some new experiences which will be uniquely Kiwi. JR Duty Free, our second duty-free operator which commenced business in August 2009, has hit the ground running and alongside DFS forms part of what we believe is a world-class airport duty free offering.

We have expanded the parking options available to travellers and have supported the completion of major roading projects to the airport. In public transport, we have strongly supported the work of the Auckland Regional Transport Authority (ARTA) in developing new airport bus services, and we have advocated publicly for accelerated public transport connections, including rail, to the Airport. We believe further improvements to airport transport links are essential for Auckland's long-term future.

December 2009 also saw the first of a new VIP experience provided by Auckland Airport. This VIP experience offers a unique welcome and farewell to special charter and tour groups at Auckland. The experience combines fast and efficient processing with a uniquely Kiwi cultural experience involving Te Manukanuka o Hoturoa marae on the Auckland Airport campus.

Building stronger relationships

Much of the progress achieved over the last six months has been due to our strengthened relationships with key groups of people. By focusing hard on improving relations with customers, partners and other key stakeholders, we better understand each other's needs, help improve market dynamics and build a solid foundation for mutual success.

In July 2009, we announced we would be deferring scheduled aeronautical charge increases for a period of six months in recognition of the challenging conditions for aviation. This deferral has since been extended to March 2010. The subsequent decision of Air New Zealand in July 2009 to withdraw its application for a judicial review of the charges marked a significant step towards healthier commercial relations with our biggest customer that we hope will continue. We now have no significant disputes with our major airline customers.

Auckland Airport is committed to serving New Zealand and the Auckland region's future travel and tourism demands, currently forecast to be 24.0 million passengers a year through Auckland by 2025. We will ensure that Auckland Airport has the optimal infrastructure in place at the right time to meet that future growth.

While we have a responsibility to New Zealand to ensure that long-term airport infrastructure capacity for predicted growth is in place, we must also carefully balance supply with demand to ensure we do not deliver excess capacity too far ahead of requirements. For this reason, Auckland Airport has suspended construction of the second runway, to the north of the existing runway, for a period of 12 months to allow demand to 'catch up'. Before the 12-month period concludes, Auckland Airport will review whether to restart the second runway works or further defer the works. Discussions with airlines about growth and fleet changes have also commenced to maximise capacity on the existing runway.

We have also improved relationships with current and prospective property and retail tenants. Several major property development projects are already well under way, including a Warren and Mahoney designed four-star-plus Novotel hotel at the international terminal in partnership with Tainui Group Holdings and Accor, a fully pre-committed 2000-square-metre office building, and a major relocation and refit for New Zealand Customs. We are also pleased to announce that an agreement has been reached with Accor for the development and operation of a new 120-room Formule 1 Hotel to be built at Auckland Airport to appeal to the budget traveller market and provide more choice to travellers.

On the regulatory front, considerable effort has been put into working with the Commerce Commission to help develop a balanced regulatory environment for airport services. The scope of the Commission's work is now well advanced and the Commission's emerging views paper published in late December 2009 indicates a willingness to engage with airport views. We will continue our ongoing engagement with the Commission to work towards the eventual development of a regulatory environment that provides sufficient economic certainty to allow the continued long-term investment in aeronautical capacity that is so essential to New Zealand tourism growth.

As New Zealand's primary gateway to the world, Auckland Airport regards itself as an integral part of the New Zealand tourism industry. We are working hard to strengthen relations with key industry players, including government, airlines, and tourism industry bodies such as Tourism Industry Association (TIA), Tourism New Zealand and Tourism Auckland, to ensure we contribute effectively with industry to grow New Zealand tourism and trade.

Over the last six months, Auckland Airport has met with many government stakeholders to openly discuss issues regarding tourism, transport, governance and regulation, and we hope that this healthy dialogue will continue. The effort we have put into our local government relations has also been reflected in the strong public support for our business we have been receiving from our two largest shareholders, Auckland City Council and Manukau City Council.

We have also been collaborating successfully with our partners at the airport itself. December 2009 saw the launch of SmartGate kiosks by Prime Minister John Key as part of a streamlined border processing initiative involving New Zealand Customs, MAF Biosecurity, Immigration

and Auckland Airport. The Lean Six Sigma programme involving all the border agencies that was successfully piloted in the arrivals area has been extended to departures and aircraft handling and we look forward to the benefits it will deliver.

A related initiative involving the wider airport community was called Every Minute Matters (EMM). The goal was to encourage ideas to improve the quality and efficiency of time spent at the airport by aircraft and the travelling public. The winning EMM idea came from MAF Biosecurity and involved a streamlining of their 'disinsection' process. Disinsection is the process of spraying planes to eradicate pests. The idea, already implemented, is a process that will save 5–10 minutes for each aircraft processing, which ultimately saves time for millions of travellers.

Auckland Airport has continued to commit to our community responsibilities, including a well-regarded and comprehensive sustainability programme that has been the subject of academic case studies. For further information on Auckland Airport's sustainability performance, please see the social responsibility pages of our website at www.aucklandairport.co.nz.

Our sponsorship programme has continued with two streams, one for commercial sponsorships and one for community sponsorships, that are aligned with our values. Major sponsorships, have included TRENZ 09, New Zealand's largest travel and tourism trade show, Telstra Clear Pacific Events Centre, Air New Zealand Fashion Week, Louis Vuitton Pacific Series, ASB tennis, South Auckland Life Education Trust, National Burns Centre and Life Flight Air Ambulance. In December 2009, we repeated our successful '12 Days of Christmas' initiative, this time in partnership with the New Zealand Herald. Over the course of 12 days, Auckland Airport donated \$10,000 each from traveller donations to 12 deserving charities.

All of this hard work on relationships has been paying off with the people who matter most, the travellers. Following the 2009 Skytrax award in which Auckland Airport was named one of the 10 best airports in the world, we were voted the best airport in Australasia in the 2009 World Travel Awards in November 2009. Each new award is a testament to the enormous amount of work that has been done with our airport partners, including airlines, border agencies, and baggage-handlers, to provide a world-class passenger experience.

Corporate/Financial commentary



Auckland Airport supports the acceleration of public transport improvements to and from the airport.

The half-year has seen some developments within our shareholder base. The New Zealand Government announced in December 2009 that it is introducing legislation to enable the consolidation of Manukau City Council's and Auckland City Council's shareholdings in Auckland Airport, under a fully commercial holding entity structure, as part of the restructure of Auckland's local government into a unitary Auckland Council. In November, Infratil sold their Auckland Airport shares to raise funds for other ventures. Morrison & Co continues to have an interest in Auckland Airport via their role managing the New Zealand Superannuation Fund shareholding.

In land matters, the Craigie Trust claim was dismissed by the Court of Appeal. The Craigie Trust had claimed certain land acquired in the 1970s was no longer required for aerodrome purposes. Following the dismissal of the claim by the High Court in March 2008, an appeal was heard by the Court of Appeal in September 2009. In its decision, released in December 2009, the Court of Appeal dismissed the claim on the grounds that the land is still required for a public work. Further, the Court of Appeal ruled that, even if the land were not required for a public work, it would be unfair, unreasonable and impracticable to require the land to be offered back. Auckland Airport has been made aware that the Craigie Trust has sought leave to appeal to the Supreme Court against the Court of Appeal's decision. Auckland Airport remains strongly of the view that the claim is without merit and the

High Court and Court of Appeal decisions were entirely appropriate. Auckland Airport intends to oppose the Craigie Trust's application for leave to appeal and will strongly defend any appeal to the Supreme Court if leave to appeal is granted.

The combined hearing into Proposed Plan Change 13 to the Auckland Regional Policy Statement, Proposed Plan Change 14 to the Manukau Operative District Plan and a notice of requirement issued by Auckland Airport to extend the Airport Designation under the Manukau Operative District Plan, was concluded in November 2009. The result extends the metropolitan urban limit to cover Auckland Airport land, and changes land use from rural to commercial use for land on our northern boundary. The plan changes, which are subject to appeal, are very positive as they provide greater clarity and certainty over land use to the north of the airport. Auckland Airport has proposed a high-quality business park plus 23 hectares of parkland bordering the Oruarangi Creek that will include recreational facilities such as cycleways and walking paths.

Auckland Airport is currently reviewing and updating its masterplan. The Auckland Airport masterplan provides a vision and a dynamic framework for long-term planning. The masterplan review has identified public transport corridors and routes, including a rail route within the Airport that is being finalised in collaboration with New Zealand Transport Authority (NZTA),

ARTA and KiwiRail. Also identified is a legible and affordable road network that can accommodate public and private transport and can be delivered in stages. We now have a revised land-use plan that identifies clear precincts within the Airport estate to provide high-quality facilities for airport and airport-related activities. We have also recommitted to our long-term aeronautical capacity masterplanning including, when market and operating conditions allow, the completion of the second runway and the construction of a central integrated terminal.

The board of Auckland Airport has worked to ensure strong succession planning is in place for directors. Two new directors were appointed to the board in September 2009 and confirmed at the 2009 Annual Meeting. Sir Henry van der Heyden and James Miller bring a wealth of experience and skills that complement those of their fellow directors. In January 2009, Lloyd Morrison was granted a leave of absence from the board for health reasons. We are looking forward to welcoming Lloyd back to the board of Auckland Airport as soon as he can return.

Passenger volumes

In the six months ended 31 December 2009, total passenger volumes rose 2.3 percent to 6,782,242, driven by increases on trans-Tasman routes and growth in domestic travel passenger numbers. Total aircraft movements were down 2.9 percent in the six months ending 31 December 2009, which reflects the decreased frequency of aircraft movements on domestic routes partially offset by increased frequency of aircraft movements on international routes.

International passenger numbers (excluding transits) were up 1.4 percent in the six months ended 31 December 2009. The growth reflects competitive airfares and increased availability of seats. Trans-Tasman growth has been offset by the pressure on long-haul travel, which was impacted by the global economic downturn and the legacy of pandemic (swine flu) concerns earlier in 2009.

Domestic passengers increased 6.1 percent in the six months ended 31 December 2009, to 3,046,882, driven by strong competition. Jetstar replaced Qantas as a domestic carrier in June 2009 and the increase in passengers reflects the uptake of the low-cost alternative with a focus on the main trunk routes.

Financial results

Continued tight management of operating and capital expenditure – to be 'fighting fit' as part of our growth strategy – is evident in our half-year results.

Total revenue decreased 0.6 percent in the six months ended 31 December 2009, to NZ\$182.9 million. This decrease was largely a result of a modest reduction in retail revenue. Total retail earnings were impacted by the reversion to a dual operator model for the duty free business and the disruption due to the construction work in the departures area. Aeronautical revenue in the six months ended 31 December 2009 remained broadly consistent with the prior corresponding period. Reduced aircraft movement and the utilisation of smaller aircraft by the airlines resulted in lower airfield income. The passenger service charge increased due to the scheduled price increase together with the small increase in passenger volumes.

Operating earnings before interest, tax and depreciation (Operating EBITDA) was flat at NZ\$138.8 million.

Depreciation totalled NZ\$27.2 million, up slightly from NZ\$25.6 million, for the first half of the year and interest costs were NZ\$35.0 million, down from NZ\$40.0 million. The tax expense for the period was NZ\$22.6 million, up from NZ\$21.5 million. Surplus after tax, excluding the investment property devaluation from the prior period, was strong, up 4.7 percent to NZ\$54.0 million compared with NZ\$51.6 million for the same period last year.

Under the Company's accounting policy to reflect the fair value of investment property at each reporting period, the directors had the Company's independent valuer make an assessment of the Company's investment property portfolio. That review saw no change to the fair value of investment property from the most recent valuation in June 2009. A full valuation of the investment property portfolio will be undertaken as at 30 June 2010, in line with normal practice for the year-end reporting. Movements in investment property values are non-cash adjustments that will not affect dividends to shareholders.

Capital expenditure was NZ\$27.8 million for the six months ended 31 December 2009 and is expected to be in the range of NZ\$60.0 million to NZ\$65.0 million for the full 2010 financial year.

Balance sheet

Total unsecured borrowings at 31 December 2009 were NZ\$1055.4 million (NZ\$1076.7 million at 30 June 2009). This comprised bonds of NZ\$557.6 million, commercial paper of NZ\$72.8 million and bank facility borrowings of NZ\$425.0 million. During December 2009, Auckland Airport established a new bilateral NZ\$150.0 million standby bank facility to refinance a syndicated NZ\$100.0 million standby bank facility maturing 10 March 2010. At 31 December 2009, Auckland Airport had NZ\$350.0 million of committed but undrawn funding lines.

During November 2009, Auckland Airport raised NZ\$125.0 million through a successful unsecured retail bond issue, NZ\$100.0 million of which was used to repay part of the bank facility due to expire on 10 March 2010. The remaining NZ\$25.0 million of the bank facility expiring on 10 March 2010 was repaid in February 2010. In addition, Auckland Airport raised NZ\$25.0 million through a private placement of debt in August 2009.

Share offer

In January 2010, Auckland Airport announced a pro rata entitlement share offer for eligible shareholders, with the proceeds of the offer used to repay a portion of the debt drawn down to fund the Cairns and Mackay Airports acquisition. The innovative structure of the offer, a first in New Zealand but commonly used in Australia, was designed to safeguard the broader interests of all shareholders and was well received by the investment market. Both the institutional and retail components of the offer were extremely well supported, and we thank our shareholders for their continued support and confidence in the Company.

Dividend reinvestment plan


Auckland Airport is pleased to inform shareholders that, following consistent requests, we are now able to provide shareholders resident in New Zealand or Australia with a Dividend Reinvestment Plan. Under this plan, shareholders may invest all or part of their dividends by taking up additional Auckland Airport shares instead of receiving cash. Details of the plan have been mailed to eligible shareholders and are available on the Auckland Airport website.

Looking forward

In the longer term, our aspirational goal is to grow international passengers at a rate significantly higher than the historical average. In the shorter term, passenger volume expectations are improving but still hard to forecast accurately. However, the second quarter for the 2009/10 financial year offered solid evidence of a market recovery and, with passenger volumes in the year to date surpassing our previous high case assumption, we have good reasons for increased confidence.

For the full 2010 financial year, we now expect net profit after tax (excluding any fair value changes and other one-off items) to be in the range of NZ\$100.0 million to NZ\$105.0 million, and capital expenditure to remain in the range of NZ\$60.0 million to NZ\$65.0 million. As always, this guidance is subject to any other material adverse events, significant one-off expenses, non-cash fair value changes to property and further deterioration due to the global market conditions or other unforeseeable circumstances.

Auckland Airport can look forward to a bright future. This positive half-year result represents significant progress as we continue to move out of the downturn and make moves to strategically position the Company for increased exposure to higher growth markets. And as we continue to implement our growth strategy and contribute to growth in New Zealand tourism and trade, the work we have done to protect ourselves against downside risks and maximise our leverage to upside opportunities will bring its rewards.



Tony Frankham
Chairman (on behalf of the board)



Simon Moutter
Chief executive