

# **RWC 2011 a catalyst to accelerate growth momentum**

**Simon Robertson  
Chief Financial Officer**



# Auckland Airport is NZ's Airport

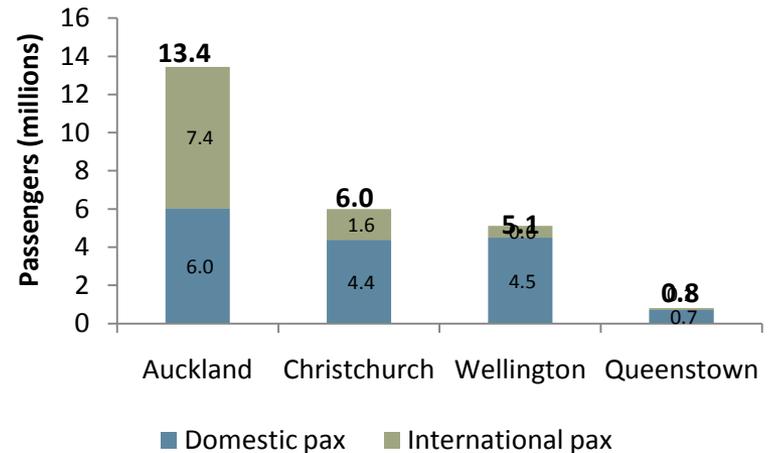
**Auckland Airport is New Zealand's main arrival point for international passengers**

**Over 70% of all international visitors to New Zealand arrive or depart from Auckland Airport**

**Auckland Airport handles one third more domestic passengers than the next largest domestic airport**

**Three quarters of New Zealanders have visited Auckland Airport in the last 12 months**

**Including meeters and greeters, 18.6 million people a year spend time in Auckland Airport's terminals**



Note: All passenger figures are for Year Ended 30 June 2010 except for Wellington, which are for Year Ended 31 March 2010



# Auckland Airport's vision

---

**To build a great New Zealand business recognised as a world leader in creating value from modern airports.**

**We are determined to play our part in growing travel, trade and tourism for the markets we serve.**

# Delivering on our growth plan

---

**Our vision is to build a great New Zealand business recognised as a world leader in creating value from modern airports.**

**To grow value in our airports for investors we will:**

- **Further increase investment in air services and market development to grow passenger volumes faster than the market organic rate**
- **Expand and actively market the range of products and services that benefit passengers**
- **Strive for even more efficient passenger processes**
- **Provide stimulus for property development opportunities that create value in our land holdings**
- **Leverage off revenue growth to deliver increasing earnings per share**



# Auckland Airport's RWC 2011 objectives

---

The RWC 2011 provides a fantastic opportunity to give passengers a memorable experience of New Zealand and therefore to grow the tourism proposition for the long term. Auckland Airport wants to ensure we:

- Play our part for New Zealand
- Deliver a great passenger experience
- Grow our passenger numbers, revenue and reputation



# Delivering on the RWC opportunity for investors

**The RWC can act as a catalyst for Auckland Airport to accelerate growth momentum. In particular Auckland Airport is focused on:**

- **Growing passenger numbers in FY12 faster than the organic growth rate**
- **Growing our long term value through air services development**
- **Providing the accommodation market with increased hotel capacity**
- **Maximising the on-airport advertising opportunities**
- **Participating fully in the retail spend possibilities**
- **Investment in the first and last impression for passengers**



# Growing international passenger numbers

International passenger volumes is Auckland Airport's biggest value driver

Our award winning air services development team are selling business propositions with New Zealand and Auckland Airport as a destination

Our emphasis is on Asia, which saw international passenger growth of 20% in the half year to 31 December 2010

Exposure to high growth markets is essential and the link between air services development and economic growth is clear

Significant new international services commencing this year include China Airlines (Brisbane-Taipei), Malaysia Airlines (increased frequency), Jetstar (Singapore and Cairns), China Southern (Guangzhou), Thai Airlines (increased frequency) and Air New Zealand (increased frequency)

% of international arrivals by region	6 months Dec 2010	6 months Dec 2009	Growth on pcp
New Zealand	48.4%	47.8%	5.07%
Australia	18.9%	19.6%	-0.09%
Asia	11.2%	9.7%	20.01%
Europe	8.6%	9.9%	-9.10%
North America	5.3%	5.7%	-2.84%
Other	7.5%	7.4%	5.76%

Source: Auckland Airport Monthly Traffic Update Report – December 2010, compiled from information from Statistics New Zealand

# Impact of RWC 2011 on growing international passenger numbers

A total of 85,000 international visitors are specifically expected for RWC 2011

Some visitors will generate more than one arrival as some visitors fly in and out multiple times for matches

Maximum of 43,000 visitors in NZ at any one time

Auckland peak demand is likely to occur on the weekends of 16 – 17 October (semi finals) and 22 – 23 October (final)

Segment	Visitor Arrivals
Supporters	74,800
Visitors hosted by sponsors and suppliers	6,000
Media	2,500
Players, officials & VIP's	1,700
	85,000

Source: Preliminary Forecasts of International Visitor Activity in New Zealand during Rugby World Cup 2011 by Ministry of Economic Development dated March 2010

Auckland Airport natural market share (two way movements)	120,000
Rolling 12 month international passengers to Feb 2011	7,680,630
Growth attributable to RWC 2011	1.6%

# Impact of RWC 2011 on domestic passenger numbers

**Expectations of a 10% increase in domestic passenger movements during RWC 2011**

**Estimates of a 30% increase in domestic passenger movements in the week of the finals**

**Peak period load likely to be similar to peak passenger movements post the February Christchurch earthquake**



# Two “summer peaks” in FY12

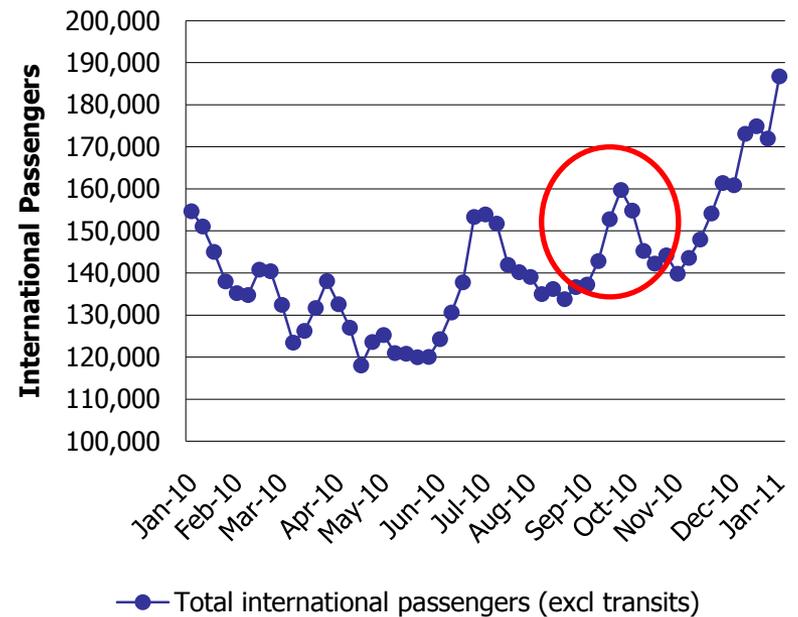
**International visitor volumes in September/October are expected to be lower than levels typically observed during traditional peak periods of December/January**

**Investment in processes for teams transferring to domestic underway**

**Further investment in VIP parking spaces, tour bus parking spaces, cruise ship facilitation and domestic forecourt configuration**

**Space in domestic terminal likely to be challenging and will require more staff on the ground to assist with facilitation**

Weekly international passengers



# Utilising RWC 2011 to grow air services development

---

- Growing air services triggered by launching into RWC 2011 season, eg Thai Airways
- Showcasing the NZ tourism proposition as a stepping stone to accelerating future tourism growth
- Opportunities to grow across our airports with Queenstown ski and tourism between games
- Charters during RWC 2011 can grow business opportunities



# Increasing capacity in the accommodation market

**Novotel hotel - 4½ star, 263 rooms, conference facilities, bars and restaurants due to open June 2011**

**Formule 1 hotel – 2 star, 125 rooms due to be open August 2011**

**Both hotels will commence trading during an extremely strong demand period, kick starting awareness of these product offerings at full pricing**

**Other property developments include Mercedes warehouse, DSV Air and Sea, Aviation Travel and Training, NZ Food Innovation Centre and Quad 5 (office building)**

**Aspirational target is to grow property segment revenues from \$30m FY09 base to rent roll of \$50-60m in FY14**



# Maximising the advertising opportunity

**Retail team is growing the advertising proposition and locations**

**Carefully managed advertising locations can lift the general ambience of an in terminal or outside terminal location**

**Our concession income on advertising is growing at 25% in FY11**

**Further advertising concession growth expected in FY12**



# Retail developments position Auckland Airport to capture retail opportunities

Major programme of retail expansion refurbishment and re-tenders just completed in international departures

New arrival and departure duty free stores ready to attract passengers

Wide range of food and beverage choices completed by August 2011 including Zarbo Deli, KFC, Silk Road, Hayama Sushi, Mac's Bar. New retail tenants include Icebreaker, Apple, Swatch, MAC Cosmetics, Rugby World Cup store

Arrivals meeters and greeters area refurbishment to be completed prior to RWC 2011



# Parking yield management will deliver revenue growth

**Parking facilities for over 8,000 vehicles**

**New online parking tool, launched in May 2010, enables dynamic management of parking product and offers**

**Yield and revenue in long term car parks outstripping passenger growth**

**Online parking tool will enable pricing that fully utilises capacity for domestic passenger movements associated with RWC 2011 related travel**

Car park product offering at Auckland Airport		
International Terminal	Domestic Terminal	Park & Ride
Proximate short-term and long-term parking options	Multi-level car park with direct connectivity into terminal	Opened December 2008
2,928 public parking bays,	2,345 public bays	650 parking bays
Covered and uncovered parking	Covered and uncovered parking	Prominent location, 24/7 shuttle with GPS, high security
In addition, there are 2,330 staff car parks across domestic and international terminals which can be leveraged for customer parking at peak times.		

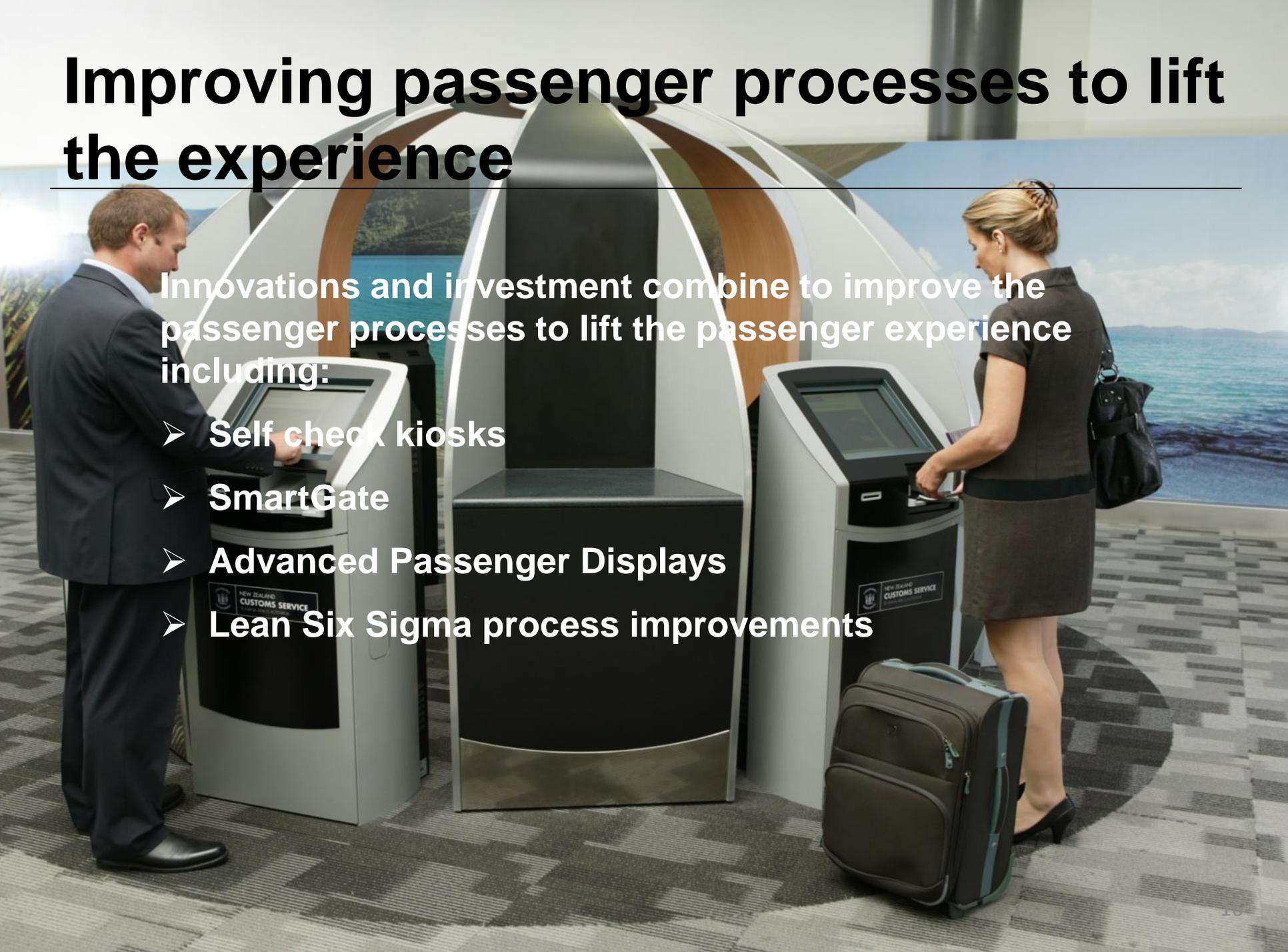


# Improving passenger processes to lift the experience

---

Innovations and investment combine to improve the passenger processes to lift the passenger experience including:

- Self check kiosks
- SmartGate
- Advanced Passenger Displays
- Lean Six Sigma process improvements



# For a lasting first and final impression



# ...and growing results for our investors

---

**Management of RWC 2011 opportunity acts as another catalyst on growth momentum**

**Growth strategies are succeeding in growing passenger volumes, aero revenues, retail yields and property rents**

**First half results stronger than expected and long-term prospects for our airports and the markets they serve are strengthening**

**Auckland Airport's leverage across all four ownership positions airport provide strong cash flow and profit growth potential**



# Questions

---

