

Question and Answer

Guy King

Stateless Systems Pty Ltd.

Guy, again, shareholder. Madam, Chair, this is not a question but I really would like to acknowledge to the board, my experience at the end of May this year. Auckland Airport is to be congratulated on the tremendous initiatives that they have taken in developing the Chinese market. I don't think any other organization related to tourism has done as much as you have and I was privileged back in late May of this year to attend a 3 day workshop under the umbrella of good friend Wedlock and his team at the ITA Center and I got to say it was extremely well done and people should know that the broad it was an expensive exercise, it was about NZD\$2,000 per delegate, but I think the value that we got out of it was outstanding and they had a company from New South Wales who hosted it, I learned a few Chinese words and I just want to acknowledge to the board, the outstanding job they did and I hope you will do something like that again next year. Thank you.

Joan Withers

Former Chairperson

Thank you, Guy, and we really appreciate the feedback. Glenn is not here today. He is went overseas learning even more about driving airport business, but I think the same that the board reflects on as we are passionate about driving these opportunities but no destination but we know is that in terms of the raw numbers as I said on the stage, we sort of on par with Australia but we are massively underperforming as a nation is driving value from those visitors.

So everybody has to get it and everybody really who is in business has relied on the tourism dollar has to understand that the focus is changing. So we have to have as a nation an end to end offering that means that Chinese and Asian visitors continue to come in the number that they are now coming and I think that having seen the statistics that were only released yesterday 35% growth year-on-year is a massive opportunity for New Zealand and as a nation we are very reliant on tourism. It accounts for about a 179,800 jobs in New Zealand, that's international tourism alone. So it's a very, very important economic driver. But thank you, Guy for your feedback.

Do we have any other questions?

Unknown Shareholder

Carly [ph], shareholder.

Joan Withers

Former Chairperson

Welcome Carly.

Unknown Shareholder

Congratulations on an excellent result. Now I am in two minds about you paying out a 100% of the net profit after tax. As a shareholder its lovely to get the dividend, but with all of this growth and a second runway on the backburner for possibly a decade, is it just possible you might have to put that back forward and perhaps you should be putting little better side for it?

Joan Withers

Former Chairperson

Thank you, Carly. It's a very good question. And I can tell you when management came and put a proposition to us that we should look to increase the dividend payout, we not only are making steps that we made them bend it forwards, backwards and upside down. What that exercise proved is that we do have the balance sheet capacity to fund growth and not only runway growth but the other expansion that

is part and parcel of our vision for Auckland Airport and that we would be there looking at usually if we weren't returning surplus capital back to shareholders.

So we are very confident in our ability to fund future growth and also to have the flex that if there was a sudden upturn in terms of passenger arrivals and aircraft numbers that we would be able to accommodate that. And as Simon pointed out and I pointed out in my page, straight after or very soon after we made that announcement and in fact Standard & Poor's upgraded our credit outlook. So it's a good question Carly but we can give you confidence that we are very prudent about our management of the balance sheet and that was with the appropriate thing to do. Thank you for the question.

Yes, Jeannie isn't it? Jeannie needs the microphone down here.

Unknown Shareholder

Thank you. Thank you very much. Jeannie Marilyn[ph], a shareholder. I would like first of all to endorse Carly's comment and then going to mine, but that's we are very glad that we made very well. But my other comment is my own hobby horse the I would like to congratulate you for the quarter in selecting 20 properties, so when the airport gets bigger you've got more to spend too, but the other important thing which I'm again it's my hobby horse and route to the airport. I live at Green Nine[ph] and I've already been subject to a lot of silly ideas and extra things that might be put there and it was making a calling job of the traffic slow which influenced of course the reach of the airport. You people are the largest and most important voice I think around to fix the local government's plan or lack of it for the excess and route and fairway and whatever else you are going to add to the airport so please directors and ladies and gentlemen of Auckland Airport please don't forget the route to bring Aucklanders to this wonderful place that you've created for us. Thank you.

Joan Withers

Former Chairperson

Simon, we've had a bit of road transport for all you now, yes. We can hear you loud and clear Jeannie; [indiscernible] any other questions. Just got one here?

Unknown Shareholder

Max Cradle[ph, shareholder, madam Chairman. In the light of Christchurch disaster I struggle to think what would happen if we had a major earthquake on this airport, not only would all the buildings possibly be destroyed, but also the runway and it could take months if not years before we are operating again. Now my question is, if you got enough insurance to pay for infrastructure as well as loss of income?

And if I may have the second question, we have noticed that you and other firms have gone away from Computershare over to Link; now I and my accountant would have been a lot happier with all the list of terms would have been one stable. It would have made accounting much easier. So what is the reason you went away from Computershare? Thank you.

Joan Withers

Former Chairperson

Thank you for the question. I will answer the first part and then I am going to hand over to Charles Spillane for the second part. Yes; the disaster at Christchurch, the earthquake really put to the forefront of everybody's minds, just what can happen and although company like ours had the disaster recovery exercises on a regular basis and has contingency plans, it really does show what can happen. So we've always had a very robust program of just understanding how we could cope in the event of disaster but most importantly, understanding specifically what the contingency measure would be in the event there was damage to the runway. So it's a very delicate question. As far as insurance coverage is concerned, yes we do have insurance cover for those eventualities including business interruption insurance and we actually require our insurance brokers to come back with a positive certification that we have the appropriate insurance for each category of cover that we require.

On the Link issue I'll pass over to Charles.

Charles Spillane

Former General Manager of Corporate Affairs, General Counsel and Corporate Secretary

Thanks. We made the decision to shift from Computershare following a computer tender process. Link provided an outstanding tender and one very clearly a strong sense of the types of innovation we wanted to see in the registry services and have delivered continually since the appointment of the [indiscernible] I've been delighted with the appointment.

Joan Withers

Former Chairperson

Thank you, Charles. Any other questions?

Unknown Shareholder

[Inaudible] shareholder. The question I had is very close to the one dealt with the lady down here a short time ago, and it concerns a proposed rail link from Auckland Central City out to the airport. We've heard discussion today about going for [broke] 2 or 3 years ago when there was questions about what development should be pursued. We've had comments about route development and comments about making contact for airport users more user friendly. My question is does the Board have, and you have an opinion a policy about the proposed railway which is at pros and cons thrown into the pot and do the Board consider that they have a role in leading the discussion on the proposed rail link, and if so have they had any communication or planning with Auckland City about the metro.

Unknown Executive

Simply I can answer from management team. We are very much always focused on giving passengers choice and that includes trying to give them choice about how they may get to or from the airport. I can they are not transport planners that's not our area of expertise, but we are supportive of working with transport planners and other experts in the area of rail to determine what the solution is and the timing and we would work to make sure we had lands set aside for that possibility when the plan is determined and the timings is appropriate.

Joan Withers

Former Chairperson

Any other questions, well up there.

Unknown Shareholder

First of all, I would like to congratulate for the great performance of the Board. My question is this that we have talked about increase of 50% profit and all that. When you see the bank benchmark is 4.5% retained on a 6 months basis, we are achieving only 5.1% our shareholder distribution. How would you equate with the bank to yours. I would have been much happy if the increase on the benchmark to 1.5% how about that, would you like to respond on it?

Joan Withers

Former Chairperson

You are talking about the relative fortune between and your bank investment and your airport shares.

Unknown Shareholder

That's right, yes.

Joan Withers

Former Chairperson

As we have mentioned in the presentation I hope the shares over the last couple of years has been well into the double digit, for the total shareholder return which incorporate share price growth plus dividend. So the return has been significantly better if you track it back over the last period of time. So I think it was 21 since FY10.

Actually it's plus 20%

20% for FY'10 and FY'11 and 15% for FY'12 [indiscernible] total shareholders return.

Unknown Shareholder

But what basically on share price today's last week or today's 2.660 whatever it is, and then if you look out through '10 the gross return is only 5.1 or 5.3.

Joan Withers

Former Chairperson

You took that dividend yield.

Unknown Shareholder

Yeah, on the dividend, on the early dividend.

Joan Withers

Former Chairperson

Yes, well the dividend yield is around 5.5% on today's share price, but what we measure here is the total return to shareholders which includes the dividend payment after the capital depreciation and the share prices as well. Is there anything else to add? Simon is also our CFO when he is not doing CEO job.

Simon D. Robertson

Former Chief Financial Officer

You have a point. I'd just chime; the share price also reflects the potential growth that the market believes is in the stock which puts the onus on all of us here on the front table to continue to deliver good results for shareholders. So its reflecting an expectation of growing dividends over time, as opposed to what you may achieve in a bank which will stay the same most specifically in a very flat and low interest rate environment.

Joan Withers

Former Chairperson

Thank you for the question. Any other questions?

Unknown Shareholder

Yes, I kept looking at that. Yes, I can appreciate that.

Joan Withers

Former Chairperson

Thank you. We need the microphone down here thank you.

Unknown Shareholder

Yeah Raymond White [ph], a shareholders. Just a simple question for you Simon. In regard to your shareholding in Cairns, Mackay, and Queenstown Airport, could you explain to us please if you have any management or marketing input into those airports and how often are you involved with them on a yearly basis in regards to communications?

Simon D. Robertson

Former Chief Financial Officer

Sure. I'll start with in QA or Cairns and Mackay Airport where we have a 24.5% stake but just stress that but all of all the other shareholders every single other shareholders are minority shareholder. So it is a shareholder's agreement which requires 80% shareholder approval on most business arrived at resolutions including approving the budget our NCO etcetera. So we have almost you could call it a veto or riot[ph]. We are on the board. I am on the board there. I attend the monthly meetings of that board and we are

also the only airport shareholder in the company. So you can simply see our influence with regards to the route development opportunities, their approach to retail, car parking and property development and how lot they are about to receive that the launch next week of the China Eastern first direct services from China into Cairns. So the business is growing particularly well.

In terms of Queenstown the other shareholder is the majority shareholder. We don't have a seat directly on the board. We did know that when we did take a stake in Queenstown Airport and that instance we put in place a management agreement to work alongside their management team to get the results that we want to see at Queenstown because we do believe in their growth story and the investment that's required to really continue to lift passenger growth in that area of the world for New Zealand's benefit as well.

Joan Withers

Former Chairperson

Thank you. A question out here.

Unknown Shareholder

Peter MC Grady[ph], a shareholder. Could the board just indicate to us the number of proxies it has for the number of people today who have been reinstated or standing please?

Joan Withers

Former Chairperson

The proxies have been received from 1,215 shareholders representing. Was that your question the number of proxy that have been received?

Unknown Shareholder

Yes, yes.

Joan Withers

Former Chairperson

From 1,215 shareholders representing 601,871,725 shares, so just short of 602 million issued.

Unknown Shareholder

For or against?

Joan Withers

Former Chairperson

We don't know that.

Simon D. Robertson

Former Chief Financial Officer

No, that will be announced after the order..

Joan Withers

Former Chairperson

When we announce it on the stock exchange later. Thank you. Any other questions? Thank you very much for your attention ladies and gentlemen. We are now at the close of the meeting. The business has been concluded and the shareholders have had an opportunity to raise questions for discussion. So we will now conduct the polls and we will stick to the motions that are being put to the meeting.

The poll will be administered by our [indiscernible]Registry Link Market Services and our auditors Deloitte would like to scrutiny it. If you are voting as a shareholder, proxy holder or as a corporate representative, please use the voting paper, handed to your registration of the meeting.

I think I am losing my audience here. Please complete the voting paper by checking use of the for or against box or if you wish to abstain from casting a vote. Anyone who has any difficulty please raise your hand and assistance will be provided.

Completed voting papers are to be placed in the ballot boxes provided by the Link staff at the doors as you exit the meeting. The results of the polls will be announced to the [indiscernible] in the media later today. Thank you again for your attendance and for your continued interest in Auckland Airport. As I said, it's a privilege to sit at this chair of this board. I now invite to all to join us the directors, management and the company's auditors for some refreshment after you placed your voting papers in the ballot box. I declare the meeting closed. Thank you.