



**PARTIAL OFFER UNDER THE TAKEOVERS CODE
BY
NZ AIRPORT NC LIMITED
TO PURCHASE SHARES IN
AUCKLAND INTERNATIONAL AIRPORT LIMITED**

Dated 14 December 2007

IMPORTANT

If you are in doubt as to any aspect of this offer, you should consult your financial or legal adviser.

If you have sold all your shares in Auckland International Airport Limited to which this offer applies, you should immediately hand this offer document and the accompanying acceptance form to the purchaser or the agent (e.g. the broker) through whom the sale was made, to be passed to the purchaser.

Auckland International Airport Limited's target company statement, together with an independent adviser's report on the merits of this offer either accompanies this offer or will be sent to you within 14 days and should be read in conjunction with this offer.

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FOR FURTHER DETAILS OF THE PROPOSED AMALGAMATION PLEASE REFER TO PARAGRAPH 10 OF APPENDIX 1 ON PAGES 29 TO 32 AND APPENDIX 2 ON PAGES 35 TO 37.

Summary of Offer

On 16 November 2007 (**Notice Date**), NZ Airport NC Limited (**the Offeror**) announced that it would make a partial offer (**Offer**) under the Takeovers Code for 39.53% (**Specified Percentage**) of the fully paid ordinary shares (**AIAL Shares**) in Auckland International Airport Limited (**AIAL**) not already held or controlled by the Offeror (**Outstanding AIAL Shares**).

The Offeror is a wholly-owned subsidiary of the Canada Pension Plan Investment Board (**CPPIB**).

When added to the 9,526,255 AIAL Shares which the Offeror holds or controls as at the date of this Offer Document, the Specified Percentage would result in the Offeror holding or controlling 40.00% (rounded to two decimal places) of all AIAL Shares if the Offer becomes unconditional. (Please see the Note on Page 2).

The key terms of the Offer are:

Offer Price	The consideration offered for each Outstanding AIAL Share taken up under the Offer is \$3.6555 in cash.
Partial Offer	The Offer is for 39.53% of the AIAL Shares not already held or controlled by the Offeror.
Offeror's shareholding in AIAL if the Offer is successful	The Offeror's shareholding in AIAL will increase to 40% if the Offer becomes unconditional.
How to accept	If you wish to accept the Offer, please refer to the section " How to accept the Offer " on pages 6 to 8 of this Offer Document and the Acceptance Forms enclosed with this Offer Document.
Approval under Rule 10 of the Takeovers Code	Approval for the Offer is sought under Rule 10 of the Takeovers Code and the Offer is conditional on such approval being obtained. If such approval is not obtained, the Offer will fail.
How to approve or object	<p>If you wish to approve or object to this Offer, please refer to the section of this Offer Document "How to approve or object to the Offeror making the Offer" on pages 9 to 11 of this Offer Document and the Approval Form enclosed with this Offer Document.</p> <p>You may approve or object to this Offer irrespective of whether you wish to accept the Offer.</p>
Conditions	<p>All of the conditions of the Offer are detailed on pages 17 to 20 of this Offer Document.</p> <p>The Offeror will declare the Offer unconditional when all of the conditions of the Offer are satisfied or waived.</p>
Closing Time	The Offer closes at 5.00 p.m. on 13 March 2008 .

Detailed Terms The detailed Terms of the Offer are set out on pages 12 to 25 of this Offer Document.

Important Contacts If you have any questions about the Offer or you require further copies of this Offer Document and enclosures (including the Acceptance Forms, the Withdrawal Notice, the Approval Form and the reply paid envelopes) you should contact the share registrar for the Offer:

Computershare Investor Services Limited
Level 2, 159 Hurstmere Road
Takapuna
Private Bag 92119
Auckland 1142
New Zealand

If calling from within New Zealand: Telephone: 09 488 8700

Facsimile: 09 488 8787

If calling from outside New Zealand: Telephone: +64 9 488 8700

Facsimile: +64 9 488 8787

Advisers Alternatively, you should contact your financial or legal adviser.

THIS IS ONLY A SUMMARY OF THE OFFER.

DETAILED TERMS AND CONDITIONS OF THE OFFER ARE SET OUT ON PAGES 12 TO 25 OF THIS OFFER DOCUMENT. YOU SHOULD READ THESE CAREFULLY.

Note:

The Takeovers Panel has approved the granting, by notice signed under seal, of an exemption under section 45 of the Takeovers Act 1993, from rule 23(1)(b) of the Takeovers Code to the extent that rule 23(1)(b) of the Takeovers Code requires the minimum acceptance condition in respect of the Offer to state the percentage to be approved by AIAL Shareholders under rule 10(1)(b) of the Takeovers Code.

The minimum acceptance condition, as set out in clause 5.2 of the Terms of the Offer, is for acceptances which, when taken together with voting securities already held or controlled by the Offeror, confer on the Offeror not less than 39.99% of the voting rights in AIAL.

The Offer for 39.53% of the fully paid ordinary shares in AIAL not already held or controlled by the Offeror, if successful and if no further shares are issued by AIAL before the Closing Time, would take the Offeror's shareholding to 40%. However, if further shares are issued by AIAL before the Closing Time (such as on the exercise of existing options), the minimum acceptance condition would still be satisfied if sufficient acceptances are received to take the Offeror's holding to not less than 39.99%.

Merits of the Offer

This section sets out the Offeror's views on the merits of the Offer. It is not the independent adviser's report on the merits of the Offer. AIAL will be obtaining that independent adviser's report and that report will be sent to you with AIAL's target company statement.

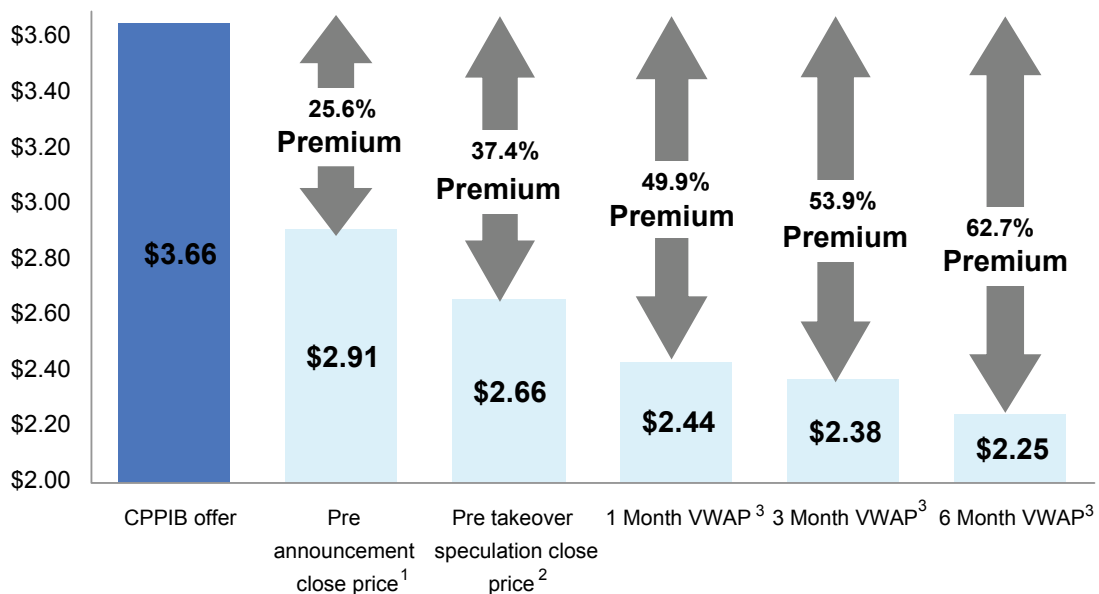
1. PREMIUM PRICE

The Offeror is offering to purchase AIAL Shares at a significant premium to the pre-takeover trading price. The Offer Price values 100% of the equity in AIAL at \$4.47 billion which implies an Enterprise Value⁽¹⁾ of \$5.38 billion. This is a multiple of 22.2 x AIAL's EBITDA⁽²⁾ for the year ended 30 June 2007 of \$242.8 million. This is at the very top end of international valuation benchmarks.

⁽¹⁾ Enterprise Value means net debt plus equity

⁽²⁾ EBITDA means earnings before interest, tax, depreciation and amortisation

(a) Significant premium to previous trading price



Notes:

1. Closing price on 6 November 2007, before the announcement by CPPIB on 7 November 2007
2. Closing price on 4 May 2007 before the NZ Herald reported on 5 May 2007 that Macquarie Bank had approached institutional shareholders
3. Volume Weighted Average Price on NZX for the period indicated up to and including 4 May 2007
4. All prices are rounded to the nearest cent
5. Source: IRESS

(b) Significant premium to previous trading range



Notes:

1. Source: IRESS
2. Information covers the period from 24 June 2005 to close of trading on 4 December 2007

2. CPPIB IS AN EXPERIENCED INFRASTRUCTURE INVESTOR

CPPIB's management team has direct prior experience in investments in, or the management of investments in, infrastructure assets, including every significant Australian airport. CPPIB has spent many months of detailed due diligence on Auckland International Airport itself, familiarising itself with its strengths and potential areas for improvement. CPPIB further intends to leverage its network of aeronautic contacts it has accumulated from investing more than \$700 million in airport and aeronautic-related companies over the last six years, both directly and indirectly, to bring expertise and industry knowledge to actively support the growth and development of AIAL.

CPPIB is currently undertaking an international search process to identify appropriate world-class directors with airport or airline expertise to serve as CPPIB's potential representatives on the board of AIAL.

It is also very important that while CPPIB brings all of the benefits of experience and global networks to AIAL, it is not conflicted through the ownership of other airports that compete with AIAL. CPPIB believes that the best way to maximise the long term value of AIAL and support AIAL's development as the key transportation gateway to New Zealand is to support and bolster a strong, autonomous New Zealand-based management team.

3. ENABLES THE CPPIB GROUP TO RE-ENGAGE THE AIAL BOARD REGARDING AN AMALGAMATION

On the successful completion of the Offer, CPPIB intends to re-engage with the AIAL Board to have a proposal to amalgamate AIAL presented to AIAL Shareholders for their consideration.

The indicative details of the proposed amalgamation are set out in Appendix 2 (including the requirement for AIAL Board support and AIAL Shareholder approvals, including a special resolution which requires 75% or more of votes cast in favour to be passed, to be obtained before the proposed amalgamation could be implemented).

4. OFFER INCLUDES AN ACCEPTANCE FACILITY

The Offer incorporates an Acceptance Facility for the benefit of AIAL Shareholders. This Acceptance Facility allows you to accept the Offer by Facility Acceptance while retaining the right to withdraw such acceptance. You may withdraw your Facility Acceptance by submitting a Withdrawal Notice. A Withdrawal Notice will be effective if it is validly completed and received by Computershare prior to the Offeror receiving a Confirmation Notice from Computershare in accordance with clause 3.4(e) of the Terms of the Offer that the Offeror holds the right to acceptances of the Offer equal to or more than the Specified Percentage.

5. CPPIB VOTING LIMITATION ON RESOLUTIONS TO ELECT OR REMOVE DIRECTORS

CPPIB and the Offeror have entered into a Deed under which they have undertaken in favour of AIAL and AIAL Shareholders that they will not exercise more than 30% of the votes that may be cast on resolutions to elect or remove directors of AIAL (or of any company in which they hold less than 100% of the voting securities following an amalgamation involving AIAL). That Deed ensures that the Offeror's investment in AIAL will comply with the Canada Pension Plan Investment Board Act and with the Canada Pension Plan Investment Board Regulations.

The Offeror and CPPIB have the legal power to vary or discharge the Deed in any way, provided that this power of variation or discharge may only be exercised if, and to the extent that, in the opinion of Canadian counsel to CPPIB, after giving effect to the variation or discharge, CPPIB will comply with the provisions (if any) of the Canada Pension Plan Investment Board Act and the Canada Pension Plan Investment Board Regulations specifically relating to investments in voting shares.

Further information on the voting limitation is set out in Appendix 3 on page 38.

How to accept the Offer

Closing Time

The Offer is scheduled to close at **5.00 p.m. on 13 March 2008**.

If you wish to **accept** the Offer, you must ensure that your Acceptance Form is received by the Offeror before the Closing Time.

How to accept

If you wish to **accept** the Offer for some or all of your AIAL Shares, you can select to **accept** by Regular Acceptance or by Facility Acceptance or by a combination of both methods of acceptance.

Your choice of method of acceptance will not affect the consideration you receive for your AIAL Shares or the time within which the consideration will be sent to you.

Regular Acceptance – Green Acceptance Form

You may **accept** the Offer by completing the enclosed Green Acceptance Form in accordance with the instructions on that form and then returning that form to the address set out below.

If you **accept** the Offer through a Regular Acceptance, you have no right to withdraw your acceptance (other than for non-payment).

Facility Acceptance – Blue Acceptance Form

You may **accept** this Offer through an Acceptance Facility managed by Computershare by completing the enclosed Blue Acceptance Form in accordance with the instructions on that form and then returning that form to the address set out below.

The Offeror has established the Acceptance Facility in order to facilitate acceptance of the Offer by those AIAL Shareholders who may wish to retain the right to withdraw such Facility Acceptances.

Difference between a Regular Acceptance and a Facility Acceptance

The difference between a Regular Acceptance and a Facility Acceptance is that the Facility Acceptance method gives you the right to withdraw your Facility Acceptance.

You may withdraw your Facility Acceptance by submitting a Withdrawal Notice. A Withdrawal Notice will be effective if it is validly completed and received by Computershare prior to the Offeror receiving a Confirmation Notice from Computershare in accordance with clause 3.4(e) of the Terms of the Offer that the Offeror holds the right to acceptances of the Offer equal to or more than the Specified Percentage.

Full details of Regular Acceptances and Facility Acceptances are set out in clause 3 of the Terms of the Offer.

Green Acceptance Forms and Blue Acceptance Forms are together described in this Offer Document as "Acceptance Forms".

Address for Acceptance

If you wish to **accept** the Offer, you should complete the relevant Acceptance Form enclosed with this Offer Document according to your chosen method of acceptance in accordance with the instructions set out on that Acceptance Form.

You should then **deliver** or **mail** the Acceptance Form in the enclosed reply paid envelope marked "Acceptance Form" to the Offeror at the following address:

Computershare Investor Services Limited
Re: Auckland International Airport Takeover Offer
Level 2, 159 Hurstmere Road
Takapuna
Private Bag 92119
Auckland Mail Centre
Auckland 1142
New Zealand

If you are resident in **Australia**, you also have the option to **mail** the Acceptance Form in the enclosed reply paid envelope marked "Acceptance Form" to the Offeror at the following address:

Computershare Investor Services Pty Limited
Re: Auckland International Airport Takeover Offer
GPO Box 52
Melbourne VIC 8060
Australia

You may also **fax** your completed Acceptance Form to the Offeror at:

Computershare Investor Services Limited
Re: Auckland International Airport Takeover Offer
on +64 9 488 8787

If you **accept** the Offer and the Offer is accepted in respect of more than the Specified Percentage, your acceptance may be scaled in the manner set out in clause 6 of the Terms of the Offer.

Please also refer to the following section "**How to approve or object to the Offeror making the Offer**" and the Approval Form enclosed with this Offer Document.

If you have sold all or some of your AIAL Shares, please refer to the instructions below.

IMPORTANT

ACCEPTANCE FORMS MUST BE RECEIVED BY OR POST-MARKED NOT LATER THAN 5.00 P.M. ON 13 MARCH 2008.

If you have sold all your AIAL Shares

Please send this Offer Document and all enclosures (including the Acceptance Forms, the Withdrawal Notice, the Approval Form and the reply paid envelopes) immediately to the new AIAL Shareholder or the agent (e.g. the broker) through whom you made the sale requesting that they be forwarded to the new AIAL Shareholder.

If you have sold some of your AIAL Shares

Please alter the total holding on the relevant Acceptance Form to the number of AIAL Shares which you have retained and for which you wish to **accept** the Offer and **deliver** or **mail** that amended and completed Acceptance Form in the enclosed reply paid envelope marked "Acceptance Form" to the Offeror at the following address:

Computershare Investor Services Limited
Re: Auckland International Airport Takeover Offer
Level 2, 159 Hurstmere Road
Takapuna
Private Bag 92119
Auckland Mail Centre
Auckland 1142
New Zealand

If you are resident in **Australia**, you also have the option to **mail** the amended and completed Acceptance Form in the enclosed reply paid envelope marked "Acceptance Form" to the Offeror at the following address:

Computershare Investor Services Pty Limited
Re: Auckland International Airport Takeover Offer
GPO Box 52
Melbourne VIC 8060
Australia

You may also **fax** your completed Acceptance Form to the Offeror at:

Computershare Investor Services Limited
Re: Auckland International Airport Takeover Offer
on +64 9 488 8787

Please also request the broker through whom you made the sale to advise the purchaser or purchasers of your AIAL Shares of the Offer and that copies of this Offer Document and enclosures (including the Acceptance Forms, the Withdrawal Notice, the Approval Form and the reply paid envelopes) are available from:

Computershare Investor Services Limited
Level 2, 159 Hurstmere Road
Takapuna
Private Bag 92119
Auckland 1142
New Zealand

Please also advise Computershare of the number of AIAL Shares sold and the broker concerned.

How to approve or object to the Offeror making the Offer

How to approve or object

One of the conditions of the Offer is that approval under Rule 10 of the Takeovers Code is obtained. For this condition to be satisfied, more AIAL Shareholders (by number of voting rights and disregarding voting rights held by the Offeror and its associates) must approve the Offer than object to it. If such approval is not obtained, the condition will not have been satisfied and the Offer will fail.

It is therefore important that if you wish to accept the Offer and/or you support the Offeror holding 40% of the voting rights in AIAL that you complete and return the Approval Form.

To indicate whether or not you **approve** of the Offeror making the Offer for 39.53% of the voting rights in AIAL, you should complete the Approval Form enclosed with this Offer Document in accordance with the instructions set out on the Approval Form.

You should then **deliver** or **mail** the Approval Form in the enclosed reply paid envelope marked "Approval Form" to AIAL at the following address:

Computershare Investor Services Limited
Re: Auckland International Airport Takeover Offer
Level 2, 159 Hurstmere Road
Takapuna
Private Bag 92119
Auckland Mail Centre
Auckland 1142
New Zealand

If you are resident in **Australia**, you also have the option to **mail** the Approval Form in the enclosed reply paid envelope marked "Approval Form" to AIAL at the following address:

Computershare Investor Services Pty Limited
Re: Auckland International Airport Takeover Offer
GPO Box 52
Melbourne VIC 8060
Australia

You may also **fax** your completed Approval Form to AIAL at:

Computershare Investor Services Limited
Re: Auckland International Airport Takeover Offer
on +64 9 488 8787

You may submit the Approval Form even if you do not wish to **accept** the Offer. This is important because the Offer is conditional on the approval required under Rule 10 of the Takeovers Code being obtained. Even if acceptances equal to or greater than the Specified Percentage are received, it is still necessary for the required approval under Rule 10 of the Takeovers Code to be obtained.

IMPORTANT

APPROVAL FORMS MUST BE RECEIVED BY OR POST-MARKED NOT LATER THAN 5.00 P.M. ON 13 MARCH 2008.

If you have sold all your AIAL Shares

Please send this Offer Document and all enclosures (including the Acceptance Forms, the Withdrawal Notice, the Approval Form and the reply paid envelopes) immediately to the new AIAL Shareholder or the agent (e.g. the broker) through whom you made the sale requesting that they be forwarded to the new AIAL Shareholder.

If you have sold some of your AIAL Shares and you wish to approve or object to the Offeror making the Offer

Please alter the total holding on the Approval Form to the number of AIAL Shares which you have retained and **deliver** or **mail** that amended and completed Approval Form in the enclosed reply paid envelope marked "Approval Form" to AIAL at the following address:

Computershare Investor Services Limited
Re: Auckland International Airport Takeover Offer
Level 2, 159 Hurstmere Road
Takapuna
Private Bag 92119
Auckland Mail Centre
Auckland 1142
New Zealand

If you are resident in **Australia**, you also have the option to **mail** the amended and completed Approval Form in the enclosed reply paid envelope marked "Approval Form" to AIAL at the following address:

Computershare Investor Services Pty Limited
Re: Auckland International Airport Takeover Offer
GPO Box 52
Melbourne VIC 8060
Australia

You may also **fax** your completed Approval Form to AIAL at:

Computershare Investor Services Limited
Re: Auckland International Airport Takeover Offer
on +64 9 488 8787

Please also request the broker through whom you made the sale to advise the purchaser or purchasers of your AIAL Shares of the Offer and that copies of this Offer Document and enclosures (including the Acceptance Forms, the Withdrawal Notice, the Approval Form and the reply paid envelopes) are available from:

Computershare Investor Services Limited
Level 2, 159 Hurstmere Road
Takapuna
Private Bag 92119
Auckland 1142
New Zealand

Please also advise Computershare of the number of AIAL Shares sold and the broker concerned.

TERMS OF THE OFFER

Partial Offer by NZ Airport NC Limited to purchase shares in Auckland International Airport Limited

Date of Offer: 14 December 2007

To: The Shareholders of Auckland International Airport Limited

1. The Offer

1.1 The Offeror offers to acquire, on the terms set out in this Offer Document, the Specified Percentage of the fully paid ordinary shares (being voting securities) in Auckland International Airport Limited (**AIAL**) not already held or controlled by the Offeror (all such shares are referred to in this Offer Document as the **Outstanding AIAL Shares** and each of them individually is referred to as an **Outstanding AIAL Share**).

1.2 (a) **Offer Period**

The Offer will remain open for acceptance for the period from the date of this Offer until the Closing Time of 5.00 p.m. on 13 March 2008 (the **Offer Period**), unless the Offer is withdrawn in accordance with the Takeovers Code and every person is released from every obligation incurred under the terms of it, or it lapses in accordance with its terms. The time the Offer expires is referred to in this Offer Document as the Closing Time.

(b) **Persons who may accept**

The Offer is open for acceptance by any person who holds Outstanding AIAL Shares, whether acquired before or on or after the date of this Offer, upon production of satisfactory evidence of such person's entitlement to those Outstanding AIAL Shares.

(c) **Acceptance Forms**

The enclosed Acceptance Forms comprise part of the Offer. An Acceptance Form duly completed may, subject to the terms of the Offer, be treated by the Offeror as a valid acceptance of the Offer.

1.3 The Offer is also made subject to the further terms in clauses 2 to 10 below and to the Takeovers Code.

2. Consideration

2.1 The consideration offered for each Outstanding AIAL Share taken up under the Offer is \$3.6555 in cash.

2.2 The consideration for the Offer will be paid by the Offeror by cheque sent by ordinary mail or paid in cleared funds by electronic transfer to each AIAL Shareholder whose Outstanding AIAL Shares are taken up under the Offer not later than seven days after the later of:

- (a) the date on which the Offer becomes unconditional; or
- (b) the date on which an acceptance is received from that AIAL Shareholder; or
- (c) the Closing Time.

Accepting AIAL Shareholders may elect their preferred method of payment on the Acceptance Form.

The last date by which the consideration must be sent to AIAL shareholders whose Outstanding AIAL Shares are taken up under the Offer is 18 April 2008.

- 2.3 If the consideration for the Offer is not sent within the period specified in clause 2.2 to any AIAL Shareholder whose Outstanding AIAL Shares are taken up under the Offer, that AIAL Shareholder may withdraw his or her acceptance of the Offer by giving notice in writing to the Offeror, provided that such AIAL Shareholder has first given the Offeror seven days' written notice of that person's intention to do so. This right to withdraw acceptance of the Offer will not apply if the Shareholder receives the consideration during the seven day notice period referred to in the previous sentence.
- 2.4 You may elect to be paid the consideration for your Outstanding AIAL Shares taken up under the Offer in Australian Dollars (A\$). To do so, please tick the box marked A\$ in the relevant Acceptance Form. If you elect to be paid in A\$, the consideration payable to you will be converted from New Zealand Dollars to A\$ at a market exchange rate determined by the Offeror on the date four Business Days before the date of payment.

3. How to accept the Offer

- 3.1 You may accept the Offer in respect of all or some of your AIAL Shares through selecting to accept by Regular Acceptance or by Facility Acceptance or by a combination of both methods of acceptance. Your choice of method of acceptance will not affect the consideration you receive for your AIAL Shares or the time within which the consideration will be sent to you. The first method of acceptance, a Regular Acceptance, as set out in clause 3.2 below, allows you to accept the Offer by returning the Green Acceptance Form to the Offeror. The second method of acceptance, a Facility Acceptance, as set out at clauses 3.3 to 3.5 below, allows you to accept the Offer through the Acceptance Facility for which you should complete the Blue Acceptance Form. If an AIAL Shareholder completes and returns both Acceptance Forms in respect of an aggregate number of AIAL Shares greater than the number of AIAL Shares held by that AIAL Shareholder, the acceptances recorded in the Green Acceptance Form shall be counted in priority to the acceptances in the Blue Acceptance Form.

3.2 Regular Acceptance – Green Acceptance Form

If you wish to accept this Offer without any right to withdraw your acceptance (other than as provided under clause 2.3), you should complete the Green Acceptance Form enclosed with this Offer Document in accordance with the instructions on the Green Acceptance Form and deliver, mail or fax it to Computershare at the address set out in clause 3.6 below.

3.3 Facility Acceptance – Blue Acceptance Form

The Offeror has established the Acceptance Facility in order to facilitate acceptance of this Offer by those AIAL Shareholders who may wish to retain the right to withdraw their Facility Acceptances prior to the Offeror receiving a Confirmation Notice from Computershare in accordance with clause 3.4(e) that the Offeror holds the right to acceptances of the Offer equal to or more than the Specified Percentage. All AIAL Shareholders may participate in the Acceptance Facility on the terms set out in paragraph 3.4 below.

3.4 The Acceptance Facility will operate as follows:

- (a) The Offeror has appointed Computershare as facility agent to operate the Acceptance Facility.
- (b) If you wish to accept the Offer through the Acceptance Facility and provide a Facility Acceptance on the basis set out in this clause 3.4, then you should complete the Blue Acceptance Form in accordance with the instructions on the Blue Acceptance Form and deliver, mail or fax it to Computershare at the address set out in clause 3.6 below.
- (c) Computershare will:
 - (i) hold the Facility Acceptance as bare trustee and lodgement agent;
 - (ii) not acquire any voting rights over any AIAL Shares subject to a Facility Acceptance; and
 - (iii) not treat a Facility Acceptance as a Regular Acceptance except in accordance with clause 3.4(f) and clause 3.4(g) below.
- (d) AIAL Shareholders that lodge a Facility Acceptance with Computershare may withdraw their Facility Acceptance by completing the notice of withdrawal of acceptance (**Withdrawal Notice**) enclosed with this Offer Document and returning the Withdrawal Notice to Computershare. A Withdrawal Notice will only be effective to withdraw a Facility Acceptance if it is validly completed and actually received by Computershare at the address or fax number specified on the Withdrawal Notice prior to the Offeror receiving a Confirmation Notice (as defined in clause 3.4(e) below). Submitting a Withdrawal Notice shall not, in any way, restrict the ability of the relevant AIAL Shareholder to submit subsequently during the Offer Period a Regular Acceptance or a Facility Acceptance.
- (e) If and when the Offeror holds the right to acceptances of the Offer (being the aggregate of Regular Acceptances received under clause 3.2 and Facility Acceptances received by Computershare and not withdrawn) equal to or more than the Specified Percentage Computershare will immediately provide notice in writing of that fact to the Offeror (**Confirmation Notice**) and the Offeror will immediately provide a copy of the Confirmation Notice contemporaneously to AIAL, the Takeovers Panel and NZX. For the purposes of the above calculation of acceptances, multiple acceptances which have been made and not been withdrawn by an AIAL Shareholder in respect of the same AIAL Share or AIAL Shares shall be counted as a single acceptance in respect of that AIAL Share or those AIAL Shares.
- (f) On provision of a Confirmation Notice by Computershare, the Facility Acceptances held by Computershare will cease to be capable of withdrawal and will in all respects, and

without the need for further action by any person, become acceptances of the Offer (on the same basis as Regular Acceptances under clause 3.2 above).

- (g) All valid Facility Acceptances received by Computershare after it has provided a Confirmation Notice to the Offeror are deemed to be Regular Acceptances of the Offer.

3.5 Computershare has agreed to provide the Offeror with the following information in respect of the Acceptance Facility:

- (a) Computershare will inform the Offeror of the details of AIAL Shares in respect of which Facility Acceptances have been received;
- (b) Computershare will immediately and without delay provide a Confirmation Notice to the Offeror when the circumstances set out in clause 3.4(e) apply; and
- (c) Any other information that the Offeror may reasonably require for the purposes of this Offer or for compliance with the Offeror's disclosure obligations under New Zealand law.

3.6 If you wish to accept the Offer (each such person an **Acceptor**) for some or all of your AIAL Shares, you need only:

- (a) complete a Green Acceptance Form and/or a Blue Acceptance Form in accordance with the instructions set out on the relevant Acceptance Form; and
- (b) return the completed Acceptance Form in the enclosed reply paid envelope marked "Acceptance Form" as soon as possible, but in any event so as to be received by the Offeror or post-marked not later than the Closing Time.

If the reply paid envelope has been mislaid, please deliver or mail your Acceptance Form to the Offeror at the following address:

Computershare Investor Services Limited
Re: Auckland International Airport Takeover Offer
Level 2, 159 Hurstmere Road
Takapuna
Private Bag 92119
Auckland Mail Centre
Auckland 1142
New Zealand

If you are resident in Australia, you also have the option to mail (but not deliver) your Acceptance Form to the Offeror at the following address:

Computershare Investor Services Pty Limited
Re: Auckland International Airport Takeover Offer
GPO Box 52
Melbourne VIC 8060
Australia

You may also fax your completed Acceptance Form to the Offeror at Computershare Investor Services Limited Re: Auckland International Airport Takeover Offer on +64 9 488 8787.

- 3.7 The Offeror may, in its sole discretion, treat any Acceptance Form as valid notwithstanding that it does not comply with this clause 3, and may, in its discretion, rectify any errors in, or omissions from, any Acceptance Form. The Offeror will determine, in its sole discretion, all questions relating to documents, including the validity, eligibility, time of receipt and effectiveness of an acceptance of the Offer. The determination of the Offeror will be final and binding on all parties.
- 3.8 Regular Acceptances of the Offer by an AIAL Shareholder constitute a contract between that Acceptor and the Offeror on the terms and subject to the conditions of the Offer. Other than in the circumstances set out in clause 2.3, or in the case of Facility Acceptances in the circumstances set out in clause 3.4(d), an Acceptor may not withdraw its acceptance during the time the Offer is open for acceptance, whether or not there has been any permissible variation of the Offer in accordance with the Takeovers Code.
- 3.9 Notwithstanding clause 3.8, the Offeror shall be released from its obligations under the Offer, and arising from acceptance of the Offer, if the Offer:
- (a) is withdrawn with the consent of the Takeovers Panel; or
 - (b) lapses as a result of the conditions in clause 5 below not being satisfied by the latest date by which the Offeror may declare the Offer unconditional.
- 3.10 Legal and beneficial ownership and title to the Outstanding AIAL Shares which are the subject of an acceptance of the Offer and, if clause 6 applies, are taken up under that clause, shall pass to the Offeror, and the registration of the transfer of those AIAL Shares shall take place, contemporaneously with the consideration for such Outstanding AIAL Shares being sent in accordance with clause 2.2.
- 3.11 The Offeror may choose to engage the services of one or more NZX Primary Market Participants to contact AIAL Shareholders with respect to the Offer and to receive Acceptance Forms. If the Offeror chooses to do so, the Offeror may agree to pay any such person a handling or procurement fee. Any such fees will be paid by the Offeror and not by Acceptors.

4. Approval or objection to the Offeror making the Offer under Rule 10 of the Takeovers Code

- 4.1 The Offeror seeks approval under Rule 10 of the Takeovers Code to make the Offer for 39.53% of the voting rights in AIAL not already held or controlled by the Offeror. This approval is required because the total percentage of voting rights in AIAL that would be held or controlled by the Offeror after the Offer becomes unconditional (being 40%) is not greater than 50%. The Offer is conditional on the approval required under Rule 10 of the Takeovers Code being obtained. That approval is obtained if AIAL Shareholders who approve the Offeror making the Offer hold more voting rights in AIAL than are held by AIAL Shareholders who object to the Offeror making the Offer. Voting rights held by the Offeror and its associates are disregarded for the purposes of that approval. The procedure for approving or objecting to the Offeror making the Offer is set out in clause 4.2.
- 4.2 If you wish to approve or object to the Offer, you need only:
- (a) complete the enclosed Approval Form in accordance with the instructions set out on that Approval Form; and

- (b) return the completed Approval Form in the enclosed reply paid envelope marked "Approval Form" as soon as possible, but in any event so as to be received by AIAL or post-marked not later than the Closing Time.

If the reply paid envelope has been mislaid, please deliver or mail your Approval Form to AIAL at the following address:

Computershare Investor Services Limited
Re: Auckland International Airport Takeover Offer
Level 2, 159 Hurstmere Road
Takapuna
Private Bag 92119
Auckland Mail Centre
Auckland 1142
New Zealand

If you are resident in Australia, you also have the option to mail (but not deliver) your Approval Form to the Offeror at the following address:

Computershare Investor Services Pty Limited
Re: Auckland International Airport Takeover Offer
GPO Box 52
Melbourne VIC 8060
Australia

You may also fax your completed Approval Form to AIAL at Computershare Investor Services Limited Re: Auckland International Airport Takeover Offer on +64 9 488 8787.

- 4.3 Once the completed Approval Form is received by AIAL, it will be irrevocable.
- 4.4 An AIAL Shareholder may submit the Approval Form even if it is not an Acceptor.
- 4.5 As noted above, the Offer is conditional on the approval required under Rule 10 of the Takeovers Code being obtained. Even if acceptances equal to or greater than the Specified Percentage are received, it is still necessary for the required approval under Rule 10 of the Takeovers Code to be obtained. If such approval is not obtained, the condition will not have been satisfied and the Offer will fail. It is therefore important if you wish to accept the Offer and/or you support the Offeror holding 40% of the voting rights in AIAL, that you complete and return the Approval Form.

5. Conditions of the Offer

- 5.1 This Offer, and any contract arising from it, is subject to the conditions that, during the period from the Notice Date until the date this Offer is declared unconditional by the Offeror:
- (a) no dividends, bonuses or other payments or distributions of any nature have been or are declared, paid, or made upon or in respect of any of the AIAL Shares or AIAL Options or in respect of any shares or other securities in any of AIAL's subsidiaries (such subsidiaries together with AIAL, the **AIAL Group**), other than any dividend or distribution from wholly owned subsidiaries of AIAL to other companies within the AIAL Group;

- (b) (i) no further shares, convertible securities or options or any other securities of any description of any member of the AIAL Group have been or are issued other than any securities issued pursuant to, and in accordance with, the existing terms of the Option Plans; and
- (ii) no AIAL Shares, AIAL Options nor any securities of any other member of the AIAL Group have been or are reclassified, subdivided, consolidated or bought back; and
- (iii) no rights, privileges or restrictions attaching to the AIAL Shares, AIAL Options or any securities of any other member of the AIAL Group have been or are altered;

(c) the business of each member of the AIAL Group is carried on in the normal and ordinary course, consistent with past practices, including, without limitation:

- (i) neither AIAL nor any other member of the AIAL Group:
 - (A) disposes of, purchases, transfers, leases, grants a security interest or other security over, grants an option or legal or equitable interest in respect of, or otherwise deals with a legal or equitable interest in, any asset, business operation, property or subsidiary; or
 - (B) agrees, including by varying any agreement, to do any of the actions referred to in clause 5.1(c)(i)(A) for, or in respect of, an asset, business operation, property or subsidiary,

in each case, having a value of an amount in excess of \$50,000,000 (either by a single act or series of related acts), otherwise than in the ordinary course of business; and

(ii) neither AIAL nor any other member of the AIAL Group makes or agrees to make any unusual or abnormal payment or enters into, or agrees to enter into, any new contract, commitment, liability, arrangement or agreement, or alters, or agrees to alter, the terms of any existing contract, commitment, liability, arrangement or agreement, in each case involving an amount, or providing for any payments over its term, in excess of \$50,000,000 or having a term of more than one year, otherwise than in the ordinary course of business;

(iii) neither AIAL nor any other member of the AIAL Group:

- (A) acquiring or disposing of;
- (B) agreeing to acquire or dispose of; or
- (C) offering, proposing, announcing a bid or tendering for,

any securities, business, asset, interest in a joint venture, entity or undertaking, the value of which exceeds in aggregate \$50,000,000;

(iv) neither AIAL nor any other member of the AIAL Group disposing, or agreeing to dispose of, the whole or, a substantial part, of its business or property;

- (d) neither AIAL nor any other member of the AIAL Group changes, or agrees to change, the remuneration or any other material terms of employment of any director, officer, employee or consultant (except for ordinary wage or salary increases in accordance with an established review policy and conducted under the supervision of AIAL's remuneration committee) or commences the employment of any person (except where such commencement is for the purposes of filling a vacant position), at a rate of remuneration in excess of \$200,000 per annum;
- (e) there being no alteration to the constitutional documents of AIAL other than amendments of a formal or technical (but not substantive) nature;
- (f) no liquidator, receiver, receiver and manager, administrator, statutory manager or similar official is appointed to AIAL or any other member of the AIAL Group or is appointed in relation to any of their respective assets and no proceedings to appoint any such party is commenced;
- (g) no resolution is passed for any amalgamation or liquidation of AIAL or any other member of the AIAL Group, and none of AIAL or any other member of the AIAL Group is involved in any merger, share buyback or scheme of arrangement, and no agreement or proposal relating to any merger, share buyback or scheme of arrangement is announced in respect of any of them;
- (h) neither AIAL nor any other member of the AIAL Group enters into or contracts to enter into, or completes, any transaction or arrangement to which Listing Rule 9.1 and/or Listing Rule 9.2 of the NZSX Listing Rules applies (or would apply but for the granting of a waiver or exemption);
- (i) the authority of AIAL to operate and manage the international and domestic airport known as Auckland International Airport at Mangere, Auckland not having been amended or revoked such that AIAL is no longer able to operate the Airport on substantially the same terms and conditions applying on the date of this Offer Document;
- (j) the occurrence of any material adverse change in the financial position, trading operations or prospects or assets of AIAL and its subsidiaries as compared with the position as at the date of this Offer Document, and no event occurring which gives or may give rise to such a material adverse change, provided that, for the avoidance of doubt, any downgrade to the credit rating of AIAL or its subsidiaries by any ratings agency shall not, of itself, constitute a material adverse change for the purposes of this sub-clause (j);
- (k) proceedings, other than any which have been publicly disclosed by AIAL prior to the Notice Date (or which relate to the same or similar subject matter to any proceedings which have been publicly disclosed by AIAL prior to the Notice Date), being notified, threatened or commenced against AIAL or its subsidiaries, involving a claim or claims together totalling in excess of \$50,000,000;
- (l) AIAL or its subsidiaries changing any significant accounting practice or policy applied by them to report their financial position or performance, other than to comply with generally accepted New Zealand accounting standards and any domestically accepted international accounting standards (including a change to an IFRS standard); and
- (m) no board resolution or shareholders' resolution of AIAL or any other member of the AIAL Group is passed to do, or to authorise the doing of, or in relation to any act, matter or circumstance referred to in clauses 5.1(a) to (l).

- 5.2 This Offer is further conditional on the Offeror receiving acceptances by no later than the Closing Time in respect of not less than the Specified Percentage of Outstanding AIAL Shares which will, if those acceptances are received and when taken together with voting securities already held or controlled by the Offeror, confer on the Offeror not less than 39.99% of the voting rights in AIAL.
- 5.3 This Offer is further conditional on the CPPIB Group obtaining all consents required under the Overseas Investment Act 2005 and Overseas Investment Regulations 2005 for the Offeror to complete the acquisition of AIAL Shares in accordance with this Offer on terms which are usual for the granting of such consents.
- 5.4 This Offer is further conditional on the CPPIB Group obtaining all consents required under the Overseas Investment Act 2005 and Overseas Investment Regulations 2005 for or in connection with the implementation of the amalgamation referred to in paragraph 10 of Appendix 1 to be implemented on terms which are usual for the granting of such consents.
- 5.5 The Offer is further conditional on approval to the Offeror making the Offer being obtained in accordance with Rule 10 of the Takeovers Code and clause 4 above.
- 5.6 Each of the conditions set out in clauses 5.1(a) to (m), 5.2, 5.3, 5.4 and 5.5 is a separate condition subsequent, and acceptance of this Offer by each Acceptor shall constitute a contract between that Acceptor and the Offeror, subject to those conditions.
- 5.7 The conditions set out in clauses 5.1(a) to (m) and 5.4 have been inserted for the benefit of the Offeror and may, to the extent they are capable of being waived, be waived in whole or in part by the Offeror at its absolute discretion. Any waiver or consent given by the Offeror in respect of any matter or thing shall apply only in accordance with its terms and shall not constitute a consent or waiver in respect of any similar matter or thing.
- 5.8 To the extent required by the Takeovers Code, where any condition set out in clauses 5.1, 5.3 or 5.4 requires a determination as to whether a matter is or could reasonably be expected to be material or not, is unusual or not, is normal or not, is in the ordinary course of business or not, is consistent or not, is of a formal or technical nature or not, is on substantially the same terms or not, is significant or not, or any similar determination required in relation to any such condition, before the condition may be invoked, such determination must be made by a suitably qualified expert jointly appointed by the Offeror and the independent directors of AIAL, in any case who is not an associate of the Offeror, prior to the Offeror being able to invoke the condition.
- 5.9 Immediately following the Offeror becoming the holder of acceptances of the Offer equal to (or more than) the Specified Percentage and all other conditions being satisfied or waived (to the extent capable of being waived) in accordance with the terms of the Offer, the Offeror will:
- (a) declare the Offer unconditional; and
 - (b) provide written notice that the Offer is unconditional to AIAL, the Takeovers Panel and NZX.
- 5.10 In accordance with the Takeovers Code, the date by which this Offer is to become unconditional must not be later than 30 days after the Closing Time. The latest date by which the Offer is to become unconditional is 11 April 2008. If the Offer does not become unconditional, it will lapse and all Acceptance Forms received by the Offeror will be destroyed.

6. Excess Acceptances

- 6.1 If this Offer is accepted in respect of more than the Specified Percentage and this Offer otherwise becomes unconditional, the Offeror will take from each Acceptor the lesser of:
- (a) the number of Outstanding AIAL Shares that are held by that Acceptor that represents the Specified Percentage of those Outstanding AIAL Shares; or
 - (b) the number of Outstanding AIAL Shares in respect of which the Acceptor has accepted this Offer.
- 6.2 If the number of Outstanding AIAL Shares that the Offeror takes up under clause 6.1 is less than the Specified Percentage, the Offeror will acquire the Shortfall by taking up, from each Acceptor with Surplus Acceptances, Outstanding AIAL Shares bearing the same proportion to the Acceptor's Surplus Acceptances as the Shortfall bears to the total Surplus Acceptances of all Acceptors.
- 6.3 The number of AIAL Shares that an Acceptor may dispose of under the Offer in accordance with the terms of the Offer and the Takeovers Code shall be determined by reference to the number of AIAL Shares held by that Acceptor at the Closing Time, as recorded in the share register of AIAL.

7. Changes in circumstances

- 7.1 If, on or after the Notice Date, AIAL declares or pays any dividend or makes any other distribution to its shareholders (and the condition contained in clause 5.1(a) above is waived by the Offeror), Acceptors of the Offer will be bound to pay the Offeror in respect of AIAL Shares taken up under the Offer an amount equivalent to the relevant dividend or the value of the relevant distribution or, at the option of the Offeror, the consideration per AIAL Share which would otherwise have been paid to such shareholders shall be reduced by an amount equivalent to the per AIAL Share amount of relevant dividend or the value of the relevant distribution.
- 7.2 If, on or after the Notice Date, AIAL makes any issue of shares or convertible securities or other securities or grants any other rights or interests in respect of the AIAL Shares to its shareholders by way of bonus issue (and the condition contained in clause 5.1(b) above is waived by the Offeror), acceptors accepting this Offer will be bound to transfer such shares or convertible securities, other securities or other rights and interests to the Offeror and the consideration per the relevant AIAL Share provided for under clause 2 above will be reduced to take account of such issue.
- 7.3 If all or any of the AIAL Shares are consolidated or subdivided on or after the Notice Date (and the condition contained in clause 5.1(b) above is waived by the Offeror), then the Offer will be interpreted to take into account such consolidation or subdivision and the consideration per the relevant AIAL Share provided for under clause 2 above will be increased or reduced, as the case may require, in proportion to such consolidation or subdivision, and acceptors will be bound to transfer such consolidated or subdivided shares to the Offeror on the basis of the consideration so increased or reduced.
- 7.4 If AIAL makes any issue of shares to any person on or after the Notice Date other than by way of bonus issue and the condition contained in clause 5.1(b) above is waived by the Offeror, then

this Offer will be deemed to extend to and include such shares and the consideration payable for them will be as provided in clause 2 above.

8. Notices

8.1 Notice to AIAL, the Takeovers Panel and NZX:

- (a) declaring the Offer unconditional; or
- (b) advising that the Offer is withdrawn in accordance with the Takeovers Code or has lapsed in accordance with its terms,

in each case, will be deemed to be notice to all AIAL Shareholders and will be deemed to be given on the day of notification to NZX.

8.2 Notice of any variation of the Offer will be sent to each AIAL Shareholder, AIAL, the Takeovers Panel and NZX in accordance with the Takeovers Code unless (and to the extent that) such notice is not required to be given under the Takeovers Code.

9. Method of settlement

9.1 No acknowledgement of the receipt of acceptances of the Offer will be issued.

9.2 If you accept the Offer and the Acceptance Form is in order (or in the Offeror's discretion, is treated as valid or is rectified in accordance with clause 3.7) and the Offer becomes unconditional, depending on your election as to the method of payment, either a cheque for the cash amount payable to you will be posted to you by ordinary mail to the address contained in the Acceptance Form or the cash amount will be electronically transferred to your bank account identified in the Acceptance Form in cleared funds, by the date specified in clause 2.2.

9.3 By completing an Acceptance Form and accepting the Offer you will be deemed to:

- (a) represent and warrant to the Offeror that title to each of your AIAL Shares that are taken up will be transferred to the Offeror free of all security interests, charges, liens, mortgages, encumbrances and adverse interests and claims of any kind, but together with all rights attaching to them, including the right to all dividends and other distributions arising after or by reference to a date occurring on or after a date upon which settlement of the Offer occurs in accordance with this clause 9;
- (b) represent and warrant to the Offeror that you will have full power and capacity to sell and transfer the AIAL Shares;
- (c) authorise the Offeror to effect any rectification of any Acceptance Form in the manner contemplated in clause 3.7; and
- (d) authorise the Offeror to advise AIAL and/or its share registrar of the details of your acceptance of the Offer and to note the AIAL share register with that acceptance.

- 9.4 All cheques, electronic funds transfers, Acceptance Forms, Approval Forms, Withdrawal Notices and other documents to be delivered, sent by or transferred to a holder of AIAL Shares will be delivered, sent by or transferred to that holder at that holder's own risk.

10. Miscellaneous

- 10.1 The following terms have the following meanings when used in this Offer Document (including the Appendices) unless the context otherwise requires:

Acceptance Facility means an acceptance facility managed by Computershare to facilitate acceptance of this Offer by those AIAL Shareholders who wish to retain the right to withdraw their acceptances.

Acceptance Forms means the Blue Acceptance Form and the Green Acceptance Form.

Acceptor means an AIAL Shareholder who has accepted the Offer in accordance with the terms of the Offer.

AIAL means Auckland International Airport Limited.

AIAL Group has the meaning given to that term in clause 5.1.

AIAL Options means all of the options to acquire AIAL Shares issued to employees or executives of AIAL under the Option Plans.

AIAL Shareholder (or Shareholder) means a holder of AIAL Shares.

AIAL Shares means all of the fully paid ordinary shares of AIAL.

Approval Form means the approval and objection form that is enclosed with and forms part of this Offer Document.

Blue Acceptance Form means the acceptance form that is enclosed with and forms part of this Offer Document that may be used by an AIAL Shareholder in respect of a Facility Acceptance.

Business Day means a day (other than a Saturday, Sunday or public holiday) on which registered banks are open for business in Auckland, New Zealand.

Closing Time means 5.00 p.m. on 13 March 2008.

Computershare means Computershare Investor Services Limited or Computershare Investor Services Pty Limited as the context requires.

Confirmation Notice means the notice which Computershare will issue to the Offeror immediately upon the Offeror holding the right to acceptances of the Offer (being the aggregate of Regular Acceptances and Facility Acceptances received by Computershare and not withdrawn) equal to or more than the Specified Percentage.

CPPIB means the Canada Pension Plan Investment Board.

CPPIB Group means CPPIB and its subsidiaries including the Offeror.

EBITDA means earnings before interest, tax, depreciation and amortisation.

Facility Acceptance means acceptance of the Offer with a right to withdraw by submission of the Blue Acceptance Form.

Green Acceptance Form means the acceptance form that is enclosed with and forms part of this Offer Document that may be used by an AIAL Shareholder in respect of a Regular Acceptance.

Notice Date means 16 November 2007, being the date on which the Offeror served or caused to be served on AIAL a notice in writing pursuant to Rule 41 of the Takeovers Code.

NZCSD means New Zealand Central Securities Depository Limited.

NZSX means the main board equity security market operated by NZX.

NZX means New Zealand Exchange Limited.

Offer means the offer for the Specified Percentage of AIAL Shares, as set out in this Offer Document.

Offer Document means this offer document dated 14 December 2007, the Acceptance Forms, the Approval Form and the Withdrawal Notice.

Offer Period means the period beginning on the date of the Offer and ending at the Closing Time.

Offeror means NZ Airport NC Limited.

Option Plans means the AIAL option plans under which options to acquire AIAL Shares have been granted to AIAL employees or executives.

Outstanding AIAL Shares means the AIAL Shares not already held or controlled by the Offeror.

Regular Acceptance means acceptance of the Offer without any right to withdraw by submission of the Green Acceptance Form.

Shortfall means the difference between the Outstanding AIAL Shares taken up by the Offeror under clause 6.1 and the Specified Percentage (expressed as a positive number).

Specified Percentage means 39.53% of the Outstanding AIAL Shares.

subsidiary has the same meaning as in section 5(1) of the Companies Act 1993 provided that a reference to "company" in that section shall refer to any company notwithstanding the jurisdiction of incorporation of the relevant company.

Surplus Acceptances means acceptances in respect of Outstanding AIAL Shares under this Offer that have not been taken up by the Offeror under clause 6.1.

Takeover Notice means the notice of intention to make the Offer given by the Offeror to AIAL on the Notice Date.

Takeovers Code means the takeovers code recorded in the Takeovers Code Approval Order 2000 (SR 2000/210) and includes the amendments pursuant to the Takeovers Code Approval Amendment Regulations 2007 (SR 2007/122).

Takeovers Panel means the takeovers panel established by the Takeovers Act 1993.

Withdrawal Notice means the notice of withdrawal of acceptance that is enclosed with and forms part of this Offer Document that may be used by an AIAL Shareholder to withdraw a Facility Acceptance.

10.2 In this Offer Document:

- (a) Except if expressly defined in this document, or except where the context requires otherwise, terms defined in the Takeovers Code shall have the same meaning in this Offer Document.
- (b) A reference to the Takeovers Code includes any applicable exemption notices issued pursuant to the Takeovers Act 1993.
- (c) All sums of money referred to in the Offer are in New Zealand currency (unless otherwise indicated).
- (d) The Offer and any contract arising from it shall be governed by and construed in accordance with the laws of New Zealand.
- (e) All references to statutes (other than references to the Canada Pension Plan Investment Board Act and to the Canada Pension Plan Investment Board Regulations) are references to New Zealand legislation unless otherwise stated.
- (f) All times referred to in the Offer are New Zealand times unless otherwise stated.
- (g) The singular includes the plural and vice versa unless the context otherwise requires.
- (h) The provisions set out in the Acceptance Forms, the Withdrawal Notice and the Approval Form form part of the Offer.
- (i) Where the application of a percentage referred to in this Offer Document results in a fractional number of AIAL Shares taken up under clause 6, the number of AIAL Shares shall be rounded to the nearest whole number.
- (j) Where the consideration payable to an Acceptor results in a fractional number of cents, the consideration shall be rounded down to the nearest whole number of cents.
- (k) Headings are for convenience only and do not affect the interpretation of the Offer or any Acceptance Form, the Withdrawal Form or the Approval Form.

APPENDIX 1: INFORMATION REQUIRED BY SCHEDULE 1 TO THE TAKEOVERS CODE

The information required by Schedule 1 to the Takeovers Code, to the extent not stated elsewhere in this Offer Document, is set out below:

1. Date

The Offer is dated 14 December 2007.

2. The Offeror and its Directors

Offeror:

NZ Airport NC Limited
c/- Bell Gully
Vero Centre
48 Shortland Street
Auckland
New Zealand

Directors of the Offeror:

Mark David Wiseman

Graeme Francis Bevans

Robert Scott Lawrence

3. Name of Target Company

Auckland International Airport Limited

4. Advice statement

The advice statement required under clause 4 of Schedule 1 to the Takeovers Code is set out on the cover page of this Offer Document.

5. Offer terms

The terms and conditions of the Offer are set out on pages 12 to 25 of this Offer Document.

6. Ownership of equity securities of Target Company

The table below sets out a statement of the numbers, designation and percentages of equity securities of any class of AIAL held or controlled by:

(a) the Offeror;

- (b) any related company of the Offeror;
- (c) any person acting jointly or in concert with the Offeror;
- (d) any director of any of the persons described in paragraphs (a) to (c); and
- (e) any other person holding or controlling 5% or more of the class, to the knowledge of the Offeror.

Name	Description	Number of equity securities held or controlled	Type of equity security	Percentage of class (%) ⁽³⁾
NZ Airport NC Limited	The Offeror	9,526,255	Ordinary Shares	0.78
New Zealand Central Securities Depository Limited (NZCSD)⁽⁴⁾	Person holding or controlling more than 5%	449,506,138	Ordinary Shares	36.78
Auckland City Council	Person holding or controlling more than 5%	155,766,240	Ordinary Shares	12.74
Manukau City Council (through its wholly owned subsidiary, Manukau City Investments Limited)	Person holding or controlling more than 5%	122,747,656	Ordinary Shares	10.04
Manukau City Investments Limited	Person holding or controlling more than 5%	122,747,656	Ordinary Shares	10.04
H.R.L Morrison & Co. Group Limited ⁽⁵⁾	Person holding or controlling more than 5%	92,589,072	Ordinary Shares	7.58

Name	Description	Number of equity securities held or controlled	Type of equity security	Percentage of class (%) ⁽³⁾
New Zealand Superannuation Fund Nominees Limited as nominee for the Guardians of New Zealand Superannuation ⁽⁶⁾	Person holding or controlling more than 5%	72,269,160	Ordinary Shares	5.91
UBS Nominees Pty Ltd	Person holding or controlling more than 5%	64,446,992	Ordinary Shares	5.27
D.W. Huse ⁽⁷⁾	Person holding or controlling more than 5% of a class of equity securities	2,000,000	Options	100

Notes:

- (1) The details shown above have been obtained from substantial security holder notices lodged with NZX, AIAL's 2007 annual report and from enquiries made by the Offeror, being the only such information within the knowledge of the Offeror.
- (2) The information in the table above and in the table in paragraph 7 below is based on information known at the time of printing of this Offer Document.
- (3) The percentage numbers are rounded to two decimal places.
- (4) NZCSD is a depository system which allows electronic trading of securities by members.
- (5) New Zealand Superannuation Fund is the beneficial owner of 52,517,736 AIAL Shares that are held in a fund managed by Morrison & Co Funds Management Limited, a subsidiary of H.R.L Morrison & Co. Group Limited. Infratil Limited is the beneficial owner of the remaining 40,071,336 AIAL Shares held or controlled by H.R.L Morrison & Co. Group Limited.
- (6) Based on enquiries and on a substantial holder notice lodged by H.R.L Morrison & Co. Group Limited on 19 November 2007 and on a substantial holder notice lodged by New Zealand Superannuation Fund Nominees Limited as nominee for the Guardians of New Zealand Superannuation (NZSFN) on 6 November 2007, NZSFN is the non-beneficial owner of 72,269,160 AIAL Shares, of which 52,517,736 of those AIAL Shares are held in a fund managed by Morrison & Co Funds Management Limited, a subsidiary of H.R.L Morrison & Co. Group Limited referred to in Note 5 above and the remaining 19,751,424 AIAL Shares are held under investment mandates with Barclays Global Investors, AMP Capital Investors, Brook Asset Management and Smartshares.
- (7) D.W. Huse is the only holder of options in the CEO Option Plan issued by AIAL. AIAL has issued different classes of options to other employees, but the Offeror does not have knowledge of whether any of those persons hold more than 5% of a class of equity securities.

Except for those persons who are specified in the statement made above as holding or controlling equity securities of AIAL, no person referred to in paragraphs (a) to (d) above holds or controls equity securities of AIAL.

7. Trading in Target Company equity securities

To the best of the Offeror's knowledge, information and belief, the following persons, referred to in paragraphs (a) to (d) of paragraph 6 above, have acquired or disposed of equity securities in AIAL during the six-month period before the date of the Offer Document:

Names	Number of equity securities acquired or disposed of	Type of equity security	Acquisition or disposal	Date of transaction	Consideration per equity security (NZ\$)
Offeror	9,526,255	Ordinary Shares	Acquisition	3 December 2007	3.6555 ⁽¹⁾
CPPIB	9,526,255	Ordinary Shares	Disposal	3 December 2007	3.6555 ⁽¹⁾

Note:

- (1) The consideration per equity security for the transfer of the 9,526,255 ordinary shares from CPPIB to the Offeror on 3 December 2007 will be adjusted to NZ\$3.02, being the volume weighted average price at which AIAL Shares traded on the NZSX for the 20 trading days prior to the date of the transfer, if the Offer does not become unconditional and therefore lapses.

The total number of equity securities in AIAL acquired by the Offeror in the six-month period prior to the date of the Offer was 9,526,255 AIAL Shares (being the AIAL Shares the Offeror acquired from CPPIB on 3 December 2007). The total number of equity securities in AIAL disposed of by CPPIB in the six month period prior to the date of the Offer was 9,526,255 AIAL Shares (being the AIAL Shares CPPIB disposed of to the Offeror on 3 December 2007).

Except as disclosed above, as far as the Offeror is aware, none of the persons referred to in paragraphs (a) to (d) of paragraph 6 above have acquired or disposed of any equity securities in AIAL during the six month period before the date of this Offer Document.

8. Agreements to accept Offer

No person has agreed conditionally or unconditionally to accept the Offer as at the date of this Offer Document.

9. Arrangements to pay consideration

The Offeror confirms that resources will be available to it sufficient to meet the consideration to be provided on full acceptance of the Offer and to pay any debts incurred in connection with the Offer (including debts arising under Rule 49 of the Takeovers Code).

A statement setting out the rights of each offeree under Rule 34 of the Takeovers Code, to withdraw acceptances for non-payment by the Offeror of the consideration, is set out in clause 2.3 of the Terms of the Offer.

10. Arrangements between the Offeror and Target Company

Except as set out below, there are no agreements or arrangements (whether legally enforceable or not) that have been made, or are proposed to be made, between the Offeror or any associates of the Offeror, and AIAL or any related company of AIAL, in connection with, in anticipation of, or in response to, the Offer.

PROPOSED AMALGAMATION

Earlier in 2007 the CPPIB Group has carried out a due diligence review of the AIAL Group. Before carrying out that due diligence review CPPIB entered into a confidentiality agreement with AIAL on 18 June 2007.

During the course of and following the completion of that due diligence review CPPIB has been pursuing the implementation of a proposed amalgamation involving AIAL.

On 31 October 2007, the AIAL Board announced its decision to cease discussions with CPPIB regarding a proposal for an amalgamation that CPPIB had presented to AIAL on 20 September 2007 and which AIAL and CPPIB had been discussing between 20 September 2007 and 31 October 2007. As a result of that decision, on 7 November 2007, CPPIB announced:

- (a) an intention to make the Offer; and
- (b) immediately following a successful completion of the Offer its intention to finalise the terms of that proposed amalgamation and to take all reasonable steps within its control to ensure that the proposed amalgamation is presented to AIAL Shareholders for their consideration as quickly as possible.

Three subsidiaries of CPPIB, NZ Airport HCP Limited, NZ Airport NC Limited and NZ Airport HC Limited held meetings of their shareholders on 16 November 2007. At those shareholder meetings:

- (a) reports and documents were presented and considered which outlined the terms of the Offer and the proposed amalgamation;
- (b) a shareholder's special resolution of NZ Airport NC Limited was passed to approve the making of the Offer and the pursuit of the proposed amalgamation under which NZ Airport NC Limited would issue the convertible note component of stapled securities under the proposed amalgamation;
- (c) a shareholder's special resolution of NZ Airport HCP Limited was passed to approve the pursuit of the proposed amalgamation under which NZ Airport HCP Limited would issue the ordinary share component of stapled securities and to pay the cash component under the proposed amalgamation; and
- (d) a shareholder's special resolution of NZ Airport HC Limited was passed to approve the pursuit of the proposed amalgamation under which AIAL would amalgamate into NZ Airport HC Limited with NZ Airport HC Limited being the surviving entity.

Set out below and in Appendix 2 are the details of the proposed amalgamation considered at those shareholder's meetings of NZ Airport HCP Limited, NZ Airport NC Limited and NZ Airport HC Limited on 16 November 2007 and as varied at subsequent shareholder's meetings of NZ Airport HCP Limited, NZ Airport NC Limited and NZ Airport HC Limited on 14 December 2007.

The proposed amalgamation will be conditional on support of the AIAL Board, all necessary resolutions of AIAL Shareholders (including a special resolution which requires 75% or more of votes cast in favour to be passed) and on a favourable ruling from the Inland Revenue Department being obtained.

AIAL would need to obtain an appraisal report from an independent expert on the proposed amalgamation and send that report to its shareholders with the notice of meeting and the documents relating to the proposed amalgamation.

Approvals for the proposed amalgamation would need to be obtained under the Overseas Investment Act and the Overseas Investment Regulations. The application which CPPIB has applied for in relation to the Offer also seeks approval in relation to the proposed amalgamation.

The proposed amalgamation (subject to the agreement of terms between the CPPIB Group and AIAL) is expected to involve the following features:

- (a) AIAL would amalgamate into a company called NZ Airport HC Limited with that company being the amalgamated or surviving entity. The indicative consideration that would be provided in the amalgamation is set out in Appendix 2.
- (b) The names of NZ Airport HC Limited, NZ Airport HCP Limited and NZ Airport NC Limited would all be changed in connection with the amalgamation to names including the words "Auckland Airport" or "Auckland International Airport". Those companies and their related companies after the amalgamation are referred to as the "**New Group**".
- (c) The ownership structure of the New Group would comprise new stapled securities to be issued by NZ Airport HCP Limited which would issue the ordinary share component of those stapled securities and NZ Airport NC Limited which would issue the convertible note component of those stapled securities. Upon completion of the amalgamation the stapled securities would be held as to 40% by the CPPIB Group and as to 60% by the other AIAL shareholders at the time of the amalgamation. Appendix 2 contains a summary of the indicative terms of the stapled securities.
- (d) New bank debt facilities would be put in place for the New Group at the time of the amalgamation. Based on information known to the CPPIB Group at the Notice Date that new debt would be drawn down initially to take the amount of the New Group's net external debt up to approximately NZ\$1.3 billion (compared with AIAL's existing external debt which is estimated by the CPPIB Group to be approximately NZ\$1 billion¹ at the end of the 2008 financial year). The amount of the New Group's external debt may change depending on the amount of AIAL's external debt at the time of the amalgamation.
- (e) The New Group would grant security over the airport's assets to secure the new bank debt. This security structure is intended to provide an increased capacity to borrow over time and to decrease the cost of borrowing.
- (f) It is expected that the new secured bank debt would have an investment grade rating of BBB– (stable outlook) credit rating from Standard & Poor's. In connection with the discussions of the proposed amalgamation CPPIB had with the AIAL Board before 31 October 2007 the proposed debt structure for the New Group had been extensively reviewed by Standard & Poor's and had received an indicative rating of BBB– (stable outlook) which is an investment grade rating.
- (g) The board of directors of the New Group following the amalgamation would have up to ten directors, including three CPPIB nominated directors. CPPIB is pursuing a global search process for directors with experience as airport and aerospace executives and its board nominees would not necessarily be CPPIB employees.

If the proposed amalgamation is implemented, CPPIB would enter into a formal co-operation agreement with the New Group at the time of the proposed amalgamation under which:

- (a) CPPIB and the New Group would co-operate and support the business;
- (b) CPPIB would confirm its support for the vision and strategy of the business;

¹ Any dividends paid between the Notice Date and the end of the 2008 financial year would increase the amount of external debt at the end of the financial year

- (c) CPPIB would use its experience and know-how to:
 - (i) share best practices in global asset management; and
 - (ii) work to implement further growth opportunities; and
- (d) CPPIB and the New Group would work together to pursue opportunities for investment in, or the development or management of, airports worldwide to the extent that the New Group wishes to pursue such opportunities.

UNDERTAKING FROM CPPIB AND THE OFFEROR IN RELATION TO VOTING ON RESOLUTIONS TO ELECT AND REMOVE DIRECTORS

CPPIB and the Offeror have entered into a deed (**Deed**) for the benefit of and enforceable by AIAL and any AIAL Shareholder under which CPPIB and the Offeror have undertaken that they (and any other person which CPPIB controls) will not exercise more than 30% of the votes that may be cast on resolutions to elect or remove directors of AIAL (or of any company in which they hold less than 100% of the voting securities following an amalgamation involving AIAL). That Deed ensures that CPPIB's investment in AIAL will comply with the Canada Pension Plan Investment Board Act and with the Canada Pension Plan Investment Board Regulations.

The undertaking given by the Offeror and CPPIB is given for the benefit of, and is enforceable by, each beneficiary (except to the extent that the Deed would result in the beneficiary holding or controlling voting rights in breach of the Takeovers Code).

The undertaking only applies in relation to voting securities held or controlled by the Offeror, CPPIB and any other person which CPPIB controls and, for greater certainty, does not apply to voting securities held or controlled by the Offeror if CPPIB ceases to control the Offeror and does not apply to voting securities transferred by the Offeror or CPPIB to any person that is not controlled by CPPIB.

The Offeror and CPPIB have the legal power to vary or discharge the Deed in any way, provided that this power of variation or discharge may only be exercised if, and to the extent that, in the opinion of Canadian counsel to CPPIB, after giving effect to the variation or discharge, CPPIB will comply with the provisions (if any) of the Canada Pension Plan Investment Board Act and the Canada Pension Plan Investment Board Regulations specifically relating to investments in voting shares.

Further information on the voting limitation is set out in Appendix 3 on page 38.

11. Arrangements between the Offeror, and directors and officers of Target Company

Except as set out below, there are no agreements or arrangements (whether legally enforceable or not) made or proposed to be made between the Offeror or any associates of the Offeror and any of the directors or senior officers of AIAL or of any related company of AIAL (including any payment or other benefit proposed to be made or given by way of compensation for loss of office, or as to their remaining in or retiring from office) in connection with, in anticipation of, or in response to, the Offer.

Under the proposed amalgamation described in paragraph 10 above it is expected that all of the senior officers of AIAL at the time of the amalgamation will, if the amalgamation is implemented, become the senior officers of the amalgamated company (which is currently a company called NZ Airport HC Limited) and that the amalgamated company will, from the time of the amalgamation, continue to remunerate those senior officers in the same, or substantially the same, way as they are being remunerated by AIAL immediately before the amalgamation.

If that proposed amalgamation is implemented the directors of AIAL will cease to hold those directorships because AIAL will have amalgamated into the amalgamated company. Some or all of those directors may be entitled to retirement benefits in accordance with the NZSX Listing Rules and with any policies AIAL has in relation to the payment of retirement benefits to directors. It is therefore possible that they may be paid those retirement benefits. Some or all of those directors may also become directors of the amalgamated company or its related companies. As at the date of the Offer the Offeror has not entered into any agreements or arrangements in relation to the payment by AIAL of any of those retirement benefits or in relation to any of those directors becoming directors of the amalgamated company or its related companies.

12. Financial assistance

No financial assistance is to be given (directly or indirectly) by AIAL, or any related company of AIAL, for the purpose of, or in connection with this Offer.

13. Likelihood of changes in Target Company

Following the completion of the Offer, the Offeror does not intend to make any material changes in respect of the business activities of AIAL and its subsidiaries.

The Offeror and the CPPIB Group are supportive of significant aspects of the basis under which AIAL has been operated to date. CPPIB would support the current management team in their plans for growth as set out in the "Auckland Airport Masterplan: 2025 and beyond" (published in March 2006) and the "AIAL Annual Report 2007".

Consistent with this, the Offeror believes the optimal implementation of AIAL's strategies will come from the addition of further resources and continued training and development of key staff. In particular, there is potential for AIAL's operations and returns to be enhanced by initiatives in the following areas:

- (a) Property development – the augmentation of team resources and continued work with local real estate advisers to maximise the development opportunities for AIAL.
- (b) Route development – additional resources could help drive expansion of available travel destinations, to the benefit of tourism in both Auckland and New Zealand.
- (c) Retail – supported by investment in information technology, active improvement of retail concession management, increased advertising, and capital improvement projects (such as Projects 3B and 3C).
- (d) Carparking – opportunities to increase profit and improve customer satisfaction will come from the addition of capacity closer to terminal buildings and greater segmentation of price and convenience.

The first step in implementing these improvements will be to continue the development of a local and autonomous management team. The Offeror believes in building capabilities from within rather than relying on external resources that can be transient. To assist in building the skills of the local management team the Offeror will draw upon previous experience within the CPPIB Group in airport operations and the CPPIB Group's expertise in real estate investment.

As outlined in paragraph 10, immediately following a successful completion of the Offer, CPPIB intends to finalise the terms of the proposed amalgamation referred to in that paragraph and will

take all reasonable steps within its control to ensure that proposal is presented to AIAL Shareholders for their consideration as quickly as possible.

14. Pre-emption clauses in Target Company's constitution

There is no restriction on the right to transfer equity securities to which the Offer relates contained in the constitution of AIAL which has the effect of requiring the holders of the securities to offer the securities for purchase to shareholders of AIAL or to any other person before transferring the securities.

15. No escalation clause

Except to the extent described in the following paragraph, there is no agreement or arrangement (whether legally enforceable or not) under which any existing holder of equity securities in AIAL will or may receive in relation to, or as a consequence of, the Offer any additional consideration or other benefit over and above the consideration set out in the Offer, or any prior holder of equity securities in AIAL will or may receive any consideration or other benefit as a consequence of the Offer.

As outlined in paragraph 10, immediately following a successful completion of the Offer, CPPIB intends to finalise the terms of the proposed amalgamation referred to in that paragraph and will take all reasonable steps within its control to ensure that proposal is presented to AIAL Shareholders for their consideration as quickly as possible. If that proposed amalgamation is implemented, holders of equity securities in AIAL at the time of the amalgamation would receive the amalgamation consideration described in Appendix 2.

16. Classes of securities

No report is required under Rule 22 of the Takeovers Code (which, if the offer is for more than one class of securities, requires a report by an independent adviser on the fairness and reasonableness of the consideration and terms of the offer as between different classes of securities).

17. Certificate

To the best of our knowledge and belief, after making proper enquiry, the information contained in this Offer Document is, in all material respects, true and correct and not misleading, whether by omission of any information or otherwise, and includes all the information required to be disclosed by the Offeror under the Takeovers Code.

Signed by the persons named below or their respective agents authorised in writing.

SIGNED BY NZ AIRPORT NC LIMITED

**Mark David Wiseman
Chief Executive Officer and Director**



**Robert Scott Lawrence
Chief Financial Officer and Director**



**Graeme Francis Bevans
Director**



APPENDIX 2: INDICATIVE TERMS OF PROPOSED AMALGAMATION

Set out below are the indicative terms of the proposed amalgamation that were considered at, and approved by special resolution, at shareholder's meetings of NZ Airport HCP Limited, NZ Airport NC Limited and NZ Airport HC Limited on 16 November 2007 and as varied at subsequent shareholder's meetings of NZ Airport HCP Limited, NZ Airport NC Limited and NZ Airport HC Limited on 14 December 2007.

The proposed amalgamation will be conditional on support of the AIAL Board, all necessary resolutions of AIAL Shareholders (including a special resolution which requires 75% or more of votes cast in favour to be passed) and on a favourable ruling from the Inland Revenue Department being obtained.

AIAL would need to obtain an appraisal report from an independent expert on the proposed amalgamation and send that report to its shareholders with the notice of meeting and the documents relating to the proposed amalgamation.

Approvals for the proposed amalgamation would need to be obtained under the Overseas Investment Act and the Overseas Investment Regulations. The application which CPPIB has applied for in relation to the Offer also seeks approval in relation to the proposed amalgamation.

The resolutions passed at those meetings were the resolutions necessary to enable NZ Airport NC Limited to proceed with the making of the Offer and to enable NZ Airport HCP Limited, NZ Airport NC Limited and NZ Airport HC Limited to pursue the proposed amalgamation under which AIAL would be amalgamated with NZ Airport HC Limited and NZ Airport HCP Limited and NZ Airport NC Limited would issue stapled securities.

The details set out below are a report of the matters considered and resolved at those shareholders' meetings.

The details set out below are indicative only. These details do not constitute an offer to any person, including any AIAL Shareholder, to subscribe for any securities that would be issued by NZ Airport HCP Limited and NZ Airport NC Limited. A prospectus and investment statement would need to be prepared for the issue of the stapled securities in connection with the proposed amalgamation and no stapled securities would be issued to any AIAL Shareholder under the proposed amalgamation unless the AIAL Shareholder has received an investment statement in relation to the stapled securities.

Part A: Indicative Consideration for Proposed Amalgamation

It is expected that each AIAL Shareholder at the time of the proposed amalgamation (excluding the Offeror) would receive the following consideration per AIAL share:

- (a) \$0.20 in cash from NZ Airport HCP Limited; and
- (b) 1 stapled security issued by NZ Airport HCP Limited and NZ Airport NC Limited (the indicative key terms of which are set out in Part C below). The face value of the ordinary share and convertible note components of each stapled security are expected to be as follows:
 - ordinary share issued at: \$0.7055
 - convertible note issued at face value of: \$2.75

This would result in total consideration of \$3.6555.

It is anticipated that before the effective date of the proposed amalgamation AIAL may pay dividends to AIAL Shareholders. Any dividends paid by AIAL would reduce the cash consideration payable in (a) above by an equivalent amount per AIAL Share.

Part B: Other Indicative Terms of the Proposed Amalgamation

Other indicative terms of the proposed amalgamation are set out below:

Stapled Securities	<ul style="list-style-type: none"> Each stapled security would comprise an ordinary share issued by NZ Airport HCP Limited and a convertible note issued by NZ Airport NC Limited which would be permanently stapled. Application would be made to list the stapled securities on the NZX and ASX As set out above, each convertible note would have a face value of \$2.75 The initial interest rate for the convertible notes would be 7.0% per annum and would increase by 50 basis points every 1 to 3 years to a maximum of the market rate for equivalent instruments
Senior Debt	<ul style="list-style-type: none"> Senior secured debt levels of the New Group would increase from an expected \$1.0 billion at the end of FY2008 to approximately \$1.3 billion at the time of the proposed amalgamation Senior debt would be secured over the Airport's assets (similar to most other Australasian airports which have secured debt funding) The proposed secured senior debt structure has received a BBB- (stable outlook) indicative rating from Standard & Poor's Senior debt levels would increase over time so long as the New Group's cashflows support the incremental debt to be drawn down
Governance	<ul style="list-style-type: none"> The Board of NZ Airport HCP Limited would be expanded to a maximum of 10 directors, including 3 directors nominated by CPPIB
Cooperation Agreement	<ul style="list-style-type: none"> A Cooperation Agreement would be entered into by CPPIB with the New Group as set out in paragraph 10 of Appendix 1
Ongoing yield	<ul style="list-style-type: none"> CPPIB anticipates that the yield on the stapled securities would be significantly higher than the yield on existing shares in AIAL The expected yield on stapled securities in FY2009 would be approximately 7.0% - 7.5% Distributions to shareholders would be made by way of convertible note interest, convertible note redemptions and unimputed dividends
Timing	<ul style="list-style-type: none"> CPPIB plans to present the proposed amalgamation to the AIAL Board as soon as practicable following the successful completion of the takeover Subject to the receipt of the AIAL Board support and all AIAL Shareholder and regulatory approvals, CPPIB intends to complete the proposed amalgamation as soon as possible

The proposed amalgamation is intended to put in place a structure that is consistent with best practice for listed infrastructure investments internationally. This structure would provide for ongoing efficiency in the balance sheet of Auckland Airport while maintaining debt at prudent levels.

At the time of the amalgamation a set of robust financial policies would be adopted by the New Group including the maintenance of Auckland Airport's FFO / Interest ratio² at approximately 2.0x.

² FFO / Interest ratio is the ratio of 12 month forecast funds from operations plus 12 month forecast interest expense to 12 month forecast interest expense where: (i) funds from operations is pre-tax income plus depreciation and amortisation, adjusted for non-cash items less taxes paid; and (ii) interest expense is accrued and cash paid interest expense.

Part C: Indicative Terms of the Stapled Securities

Set out below are the indicative terms of the stapled securities:

Each stapled security is expected to comprise a convertible note and an ordinary share.

Convertible Notes	Securities	<ul style="list-style-type: none"> Convertible notes in NZ Airport NC Limited (Notes)
	Principal Amount	<ul style="list-style-type: none"> NZ\$2.75 face value per Note
	Issue Size	<ul style="list-style-type: none"> NZ\$3.4bn
	Term	<ul style="list-style-type: none"> Three years extendable repeatedly for further periods of one to three years at directors' discretion
	Reset Date	<ul style="list-style-type: none"> First Reset Date would be three years from Issue Date. Subsequent Reset Dates would be set for each extended period
	Ranking	<ul style="list-style-type: none"> Subordinated to all other liabilities in priority only to ordinary shares
	Coupons	<ul style="list-style-type: none"> Coupon rate would be 7.0% payable from implementation of the proposed amalgamation until the first Reset Date At each Reset Date the coupon would step up by 50 basis points but is capped at the Market Rate for the Notes The Market Rate for the Notes would be the yield the Notes would trade on if tradeable as standalone instrument at the Reset Date as determined by the directors
	Coupon Payment Date	<ul style="list-style-type: none"> Semi-annual
	Deferability of Coupons	<ul style="list-style-type: none"> Coupons would be deferrable at the directors' discretion
	Deferred Coupons	<ul style="list-style-type: none"> Deferred coupons would be cumulative and accrue interest at the Coupon Rate. Where interest is deferred for more than two reset periods, interest would be paid by the issue of ordinary shares
	Redemption	<ul style="list-style-type: none"> At each Reset Date (as determined by the Board of NZ Airport NC Limited) the issuer may redeem the Notes for cash in whole or in part Investors have no rights of redemption
	Conversion	<ul style="list-style-type: none"> At each Reset Date the Notes may convert in whole or in part into shares in NZ Airport HCP Limited or NZ Airport NC Limited at the discretion of the directors. Investors would have no rights to force conversion
Conversion Ratio	<ul style="list-style-type: none"> At market value as determined by the directors based on expert advice 	
Ordinary Shares	Securities	<ul style="list-style-type: none"> Ordinary shares in NZ Airport HCP Limited
	Issue Price	<ul style="list-style-type: none"> 70.55 cents issue price per share
	Issue Size	<ul style="list-style-type: none"> NZ\$862m
	Dividend Yield	<ul style="list-style-type: none"> Payable at directors' discretion
	Voting Rights	<ul style="list-style-type: none"> Ordinary shares would confer voting rights at all shareholder meetings of NZ Airport HCP Limited

APPENDIX 3: DESCRIPTION OF VOTING LIMITATION

If the Offeror holds 40% of the AIAL Shares, the limitation of its voting rights to 30% of the votes that may be voted on resolutions to elect or remove directors would mean that the Offeror would be able to exercise the votes attaching to 25.7% (rounded to one decimal place) of the total number of AIAL Shares on such resolutions. The following table sets out the number of AIAL Shares and percentage of the total number of AIAL Shares which the Offeror (as a 40% shareholder) would be able to cast on resolutions to elect or remove directors of AIAL.

Please note that all figures in the table below are based on the scenario that the Offer is successful and the Offeror holds 40% of the total number of AIAL Shares.

Total number of AIAL Shares	1,222,237,639 ⁽¹⁾
Number of AIAL Shares to be held (if Offer successful)	
Number of AIAL Shares to be held by the CPPIB Group	488,911,065
Number of AIAL Shares to be held by the other shareholders	733,326,574
Percentage of AIAL Shares eligible to be voted on all resolutions other than to elect or remove directors (if Offer successful)	
Percentage of AIAL Shares to be held by the CPPIB Group	40%
Percentage of AIAL Shares to be held by the other shareholders	60%
Number of AIAL Shares eligible to be voted on resolutions to elect or remove directors (if Offer successful)	
Number of AIAL Shares eligible to be voted by the CPPIB Group ⁽²⁾	314,282,817
Number of AIAL Shares eligible to be voted by the other shareholders	733,326,574
Percentage of AIAL Shares eligible to be voted on resolutions to elect or remove directors as a percentage of eligible AIAL Shares (if Offer successful)	
Percentage of AIAL Shares that are eligible to be voted by the CPPIB Group ⁽²⁾	30%
Percentage of AIAL Shares that are eligible to be voted by the other shareholders	70%
Percentage of AIAL Shares eligible to be voted on resolutions to elect or remove directors as a percentage of the total number of AIAL Shares (if Offer successful)	
Percentage of AIAL Shares that are eligible to be voted by the CPPIB Group ⁽²⁾	25.7%
Percentage of AIAL Shares that are eligible to be voted by the other shareholders	60%

Notes:

⁽¹⁾ The numbers of AIAL Shares in the above table are based on the total number of AIAL Shares on issue as at 7 December 2007

⁽²⁾ By operation of the Voting Deed referred to in paragraph 5 of the Merits of the Offer on page 5 and in paragraph 10 of Appendix 1 on page 32

