



CPP
INVESTMENT
BOARD

Auckland International Airport

Canada Pension Plan Investment Board
Partial Takeover Offer and Proposed
Amalgamation

16 November 2007

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Section 1

Overview of the Partial Takeover Offer

Transaction Highlights

CPPIB has offered to purchase 39.53% of the shares not currently owned by CPPIB in AIAL at \$3.6555 per share

- The \$3.6555¹ offer price is highly attractive when compared to all benchmarks including:
 - Past trading prices (37% premium to market price before takeover rumours)
 - Transaction and trading multiples (22.2x AIAL's FY2007 EBITDA versus global averages for minority stakes of 15.5x)
 - Broker valuations (16% to 52% premium to DCF valuations of \$2.41 - \$3.14)
- CPPIB will take all reasonable steps to ensure that as soon as practicable after completion of the offer, the CPPIB led proposed amalgamation will be placed in front of shareholders
- As a significant minority shareholder in the amalgamated group, CPPIB will work with all stakeholders to maximise value
 - CPPIB's team possesses relevant airport and aeronautic expertise, and can access key relationships developed through direct and indirect private aeronautical investments totalling more than NZ\$700 million
 - CPPIB will seek to appoint world class director(s) with aeronautic expertise to serve as its nominee(s) to the Board
- CPPIB's offer will be open until mid-March 2008
- CPPIB's holding, if the offer is successful, will be 40.0%

Note:

¹ Less any pre-transaction dividend.

Key Terms of Offer

CPPIB has offered to purchase 39.53% of the shares not currently owned by CPPIB in AIAL at \$3.6555 per share

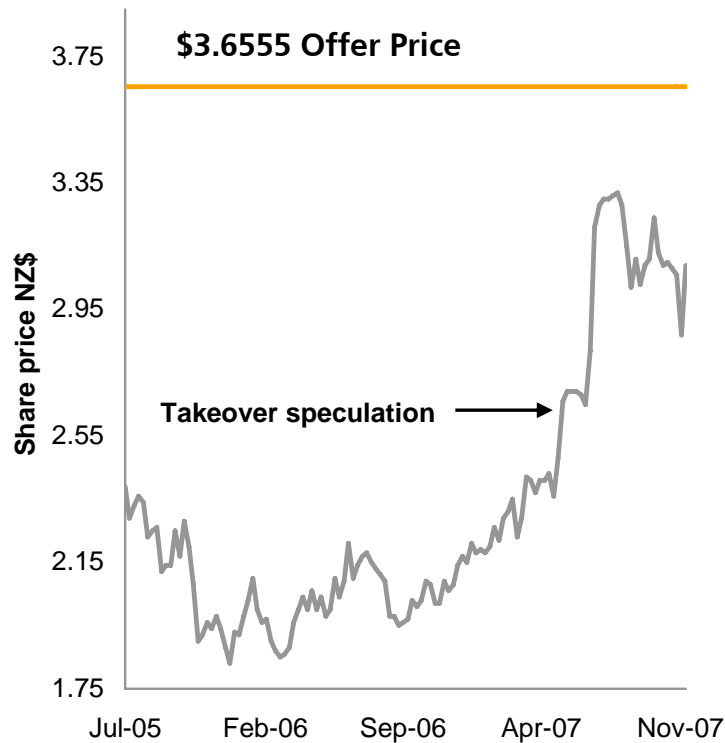
- \$3.6555¹ offer price available to all shareholders
- CPPIB is seeking a significant minority stake in AIAL (40.0%)
 - CPPIB needs approval from AIAL shareholders to obtain a stake below 50% under Rule 10(1)(b) of the Takeovers Code
 - A separate approval form will be sent with the takeover offer
- To the extent that CPPIB receives acceptances in excess of 39.53% of the AIAL shares it does not already own, acceptances will be subject to scaling
- CPPIB will enter into a deed limiting its votes on resolutions to elect directors to 30% of votes able to be cast, until such deed is varied or discharged in accordance with its terms
- The offer will include an acceptance facility that will allow shareholders to accept the offer while retaining the right to withdraw such acceptance until the offer reaches the Specified Percentage (39.53% of the shares not held by CPPIB)
- If a dividend is paid by AIAL before the offer is completed, the offer price will be reduced by the amount of the dividend on a per share basis
- The offer is expected to open on or about 14 December and remain open for 90 days

Note:

¹ Less any pre-transaction dividend.

Significant Premium Over AIAL's Historical Share Price

The \$3.6555 per share consideration represents a premium of 37% over AIAL's trading price before takeover speculation



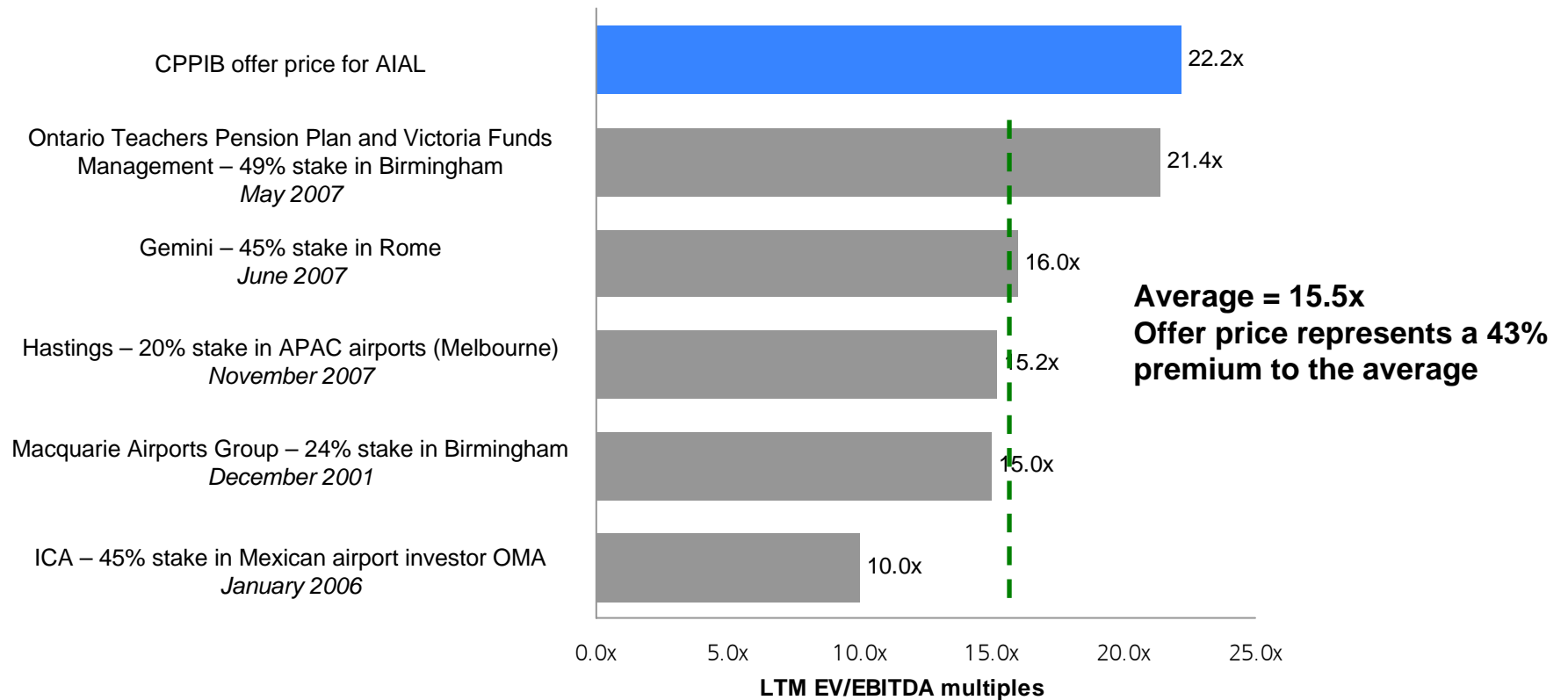
Premium to 14 November close price	26%
Premium to market pre-takeover (4 May 2007)	37%
Premium to 1 month pre-takeover VWAP ¹	50%
Premium to 3 month pre-takeover VWAP	54%
Premium to 6 month pre-takeover VWAP	63%
EV / FY07 EBITDA multiple ²	22.2x

Notes:

1. VWAP = volume weighted average price for the period preceding 5 May 2007, the date on which the NZ Herald published an article on potential corporate activity in AIAL. VWAPs are based on calendar months rather than trading days.
2. Based on pre-amalgamation enterprise value of \$5.38 billion assuming debt level as at 30 June 2007 and equity valued at \$3.6555 per share.

Significant Premium Over Comparable EV/EBITDA multiples

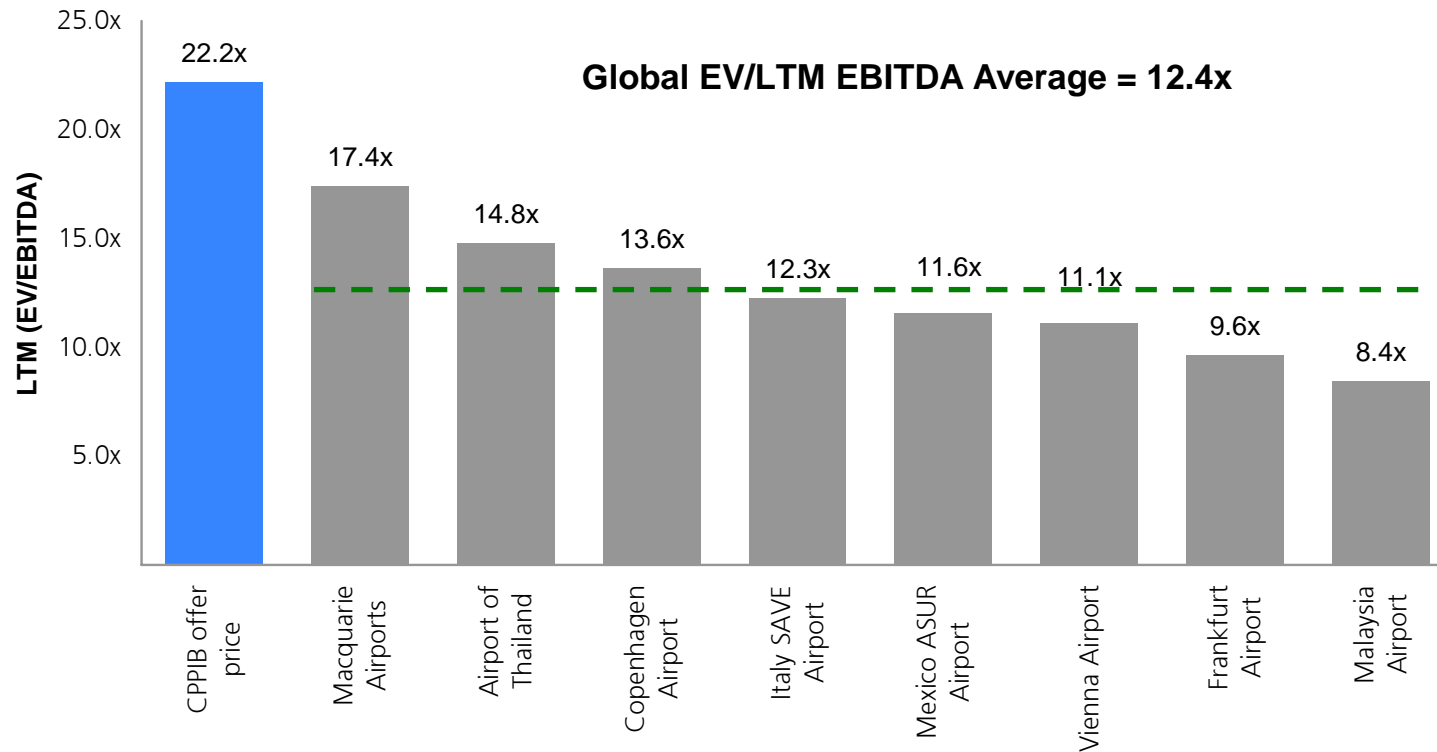
The EV/EBITDA multiple of 22.2x AIAL's FY2007 EBITDA is a significant premium to previous transactions in the sector



Source: UBS estimates, Reuters, Factiva

Significant Premium Over Comparable EV/EBITDA multiples

The EV/EBITDA multiple of 22.2x FY07 EBITDA is almost double the average current trading multiples of listed airports as at 15 November 2007

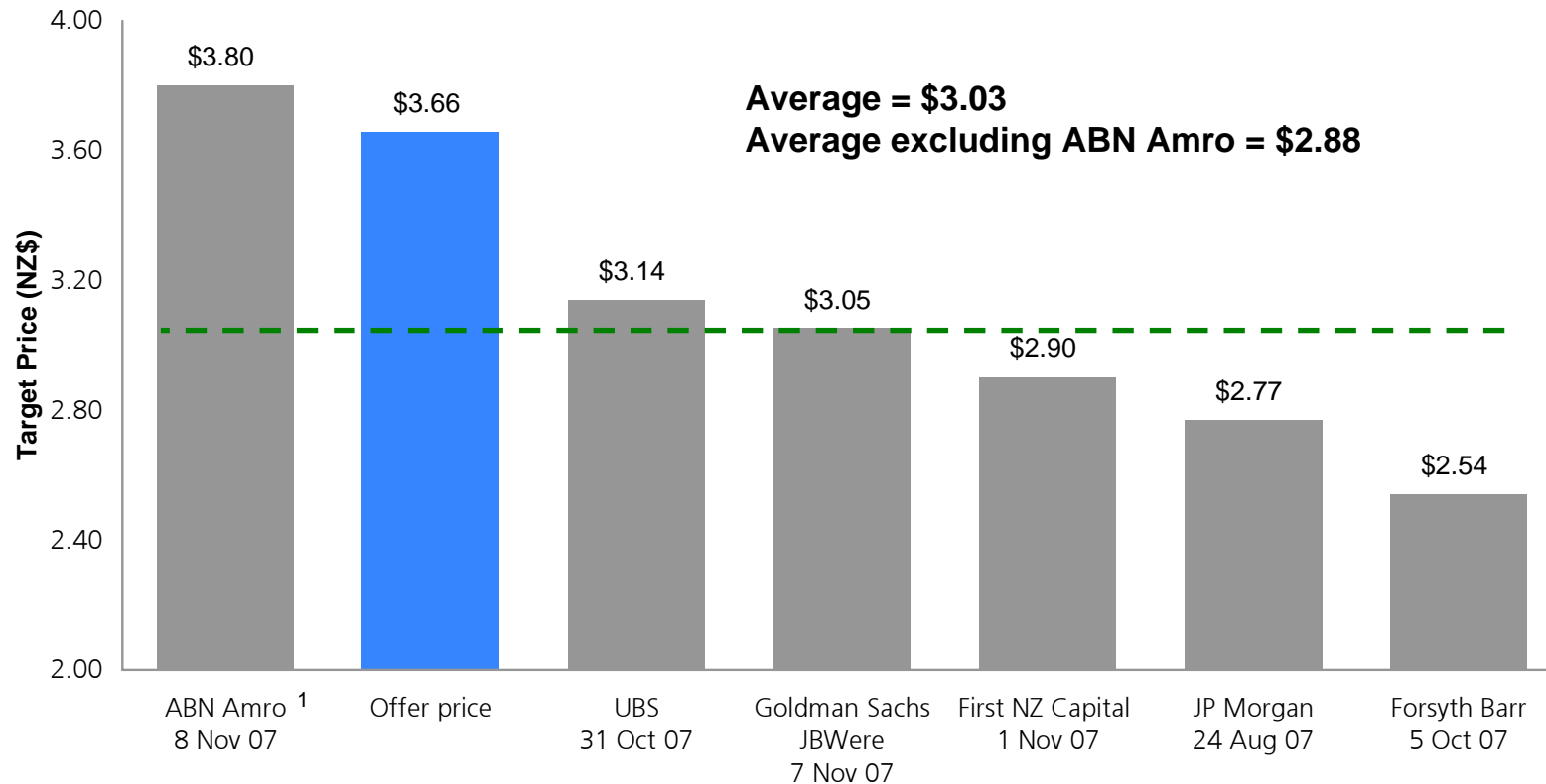


Source: Reuters, IRESS, Datastream, Bloomberg

Note:

1. All values have been calendarised to a June Financial year.

Significant Premium Over Broker Target Prices



Source: Reuters, 13 November 2007

Note:

1. ABN Amro target price of \$3.80 is a significant premium to ABN's DCF value of \$3.00.

Key Takeover Conditions

In addition to standard offer conditions, the partial takeover offer is conditional on Overseas Investment approval and shareholders approving the CPPIB minority holding

Under Rule 10(1)(b) of the takeovers code, shareholders must give approval for CPPIB to make a takeover offer under which it will hold less than 50% of AIAL

- Shareholders will be sent a form with the takeover notice which they may return to AIAL giving their approval for CPPIB to hold less than 50%
- More respondents (by number of AIAL shares) have to approve than object for the approval to be obtained

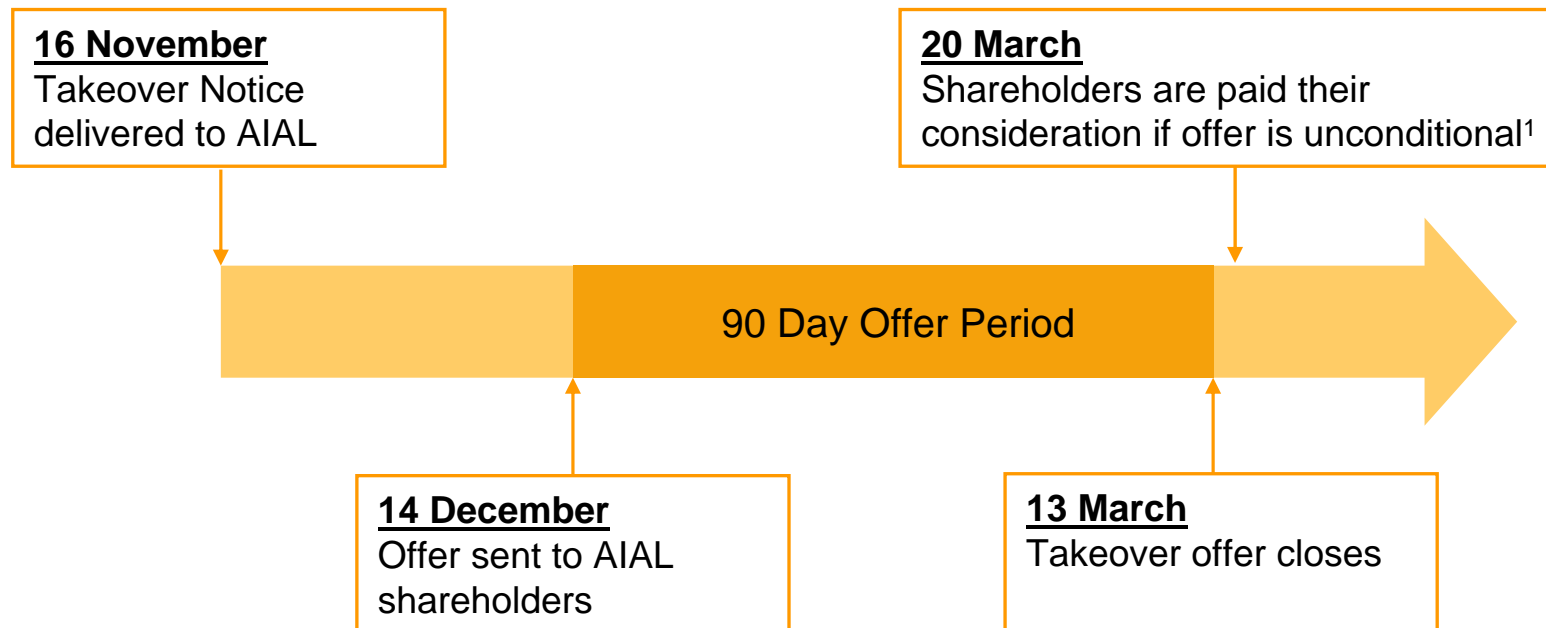
Overseas Investment Regulations (OIO)

- The acquisition of more than 25% of the shares in AIAL requires OIO approval
- The period from launch until close of the offer of approximately 120 days is to enable time for the OIO process to be completed before the offer closes

Timing of the Offer

The offer will be open for 90 days

-- ALL DATES ARE INDICATIVE ONLY AND SUBJECT TO CHANGE --



Note:

1 . The offer may remain conditional for a further period of up to 30 days if OIO approval is not granted prior to the takeover closing.

Section 2

Proposed Amalgamation - Overview

Section 2 outlines the indicative terms of the proposed amalgamation that were considered at, and approved by special resolution, at shareholders' meetings of subsidiaries of CPPIB, NZ Airport HCP Limited, NZ Airport NC Limited, and NZ Airport HC Limited, on 16 November 2007.

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

The details set out in the Section 2 are a report of the matters considered and resolved at those meetings.

The details set out in this presentation are indicative only. These details do not constitute an offer to any person, including any AIAL shareholder, to subscribe for any securities to be issued by NZ Airport HCP Limited and NZ Airport NC Limited. A prospectus and investment statement is to be prepared for the issue of the stapled securities in connection with the proposed amalgamation and no stapled securities will 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.

Proposed Amalgamation - Key Features

CPPIB will take all reasonable steps to ensure that its proposed amalgamation will be placed in front of AIAL shareholders as soon as practicable

-- ALL VALUES ARE INDICATIVE ONLY --

Key features	Amalgamation consideration	<ul style="list-style-type: none"> • The amalgamation consideration each remaining AIAL shareholder will receive for each AIAL share is expected to be \$3.6555 less any pre-transaction dividends : • This is comprised of : <ul style="list-style-type: none"> – a stapled security in the new Group, with a face value of \$3.4555, comprised of a share and a convertible note; and – cash (expected to be \$0.20, adjusted for any dividends paid prior to completion of the amalgamation)
	Flexible debt package	<ul style="list-style-type: none"> • Under the proposal previously presented to the AIAL board: <ul style="list-style-type: none"> – CPPIB received commitments from four separate banks – The structure received an indicative BBB- (stable) rating by S&P • Similar to many other infrastructure assets, a ring fenced security package will be implemented, that is complementary with the stapled security structure • Gearing will increase only to the extent that cashflows grow to support it <ul style="list-style-type: none"> – 12 month forward looking FFO/Interest must be at least 2.0x
	Ongoing Yield	<ul style="list-style-type: none"> • It is anticipated that Year 1 yield will be within a range of 7.0%-7.5% on face value of stapled securities • Returns will be by way of interest, convertible note redemptions and unimputed dividends
	Conditions	<ul style="list-style-type: none"> • Shareholder resolutions approving the amalgamation • Favourable ruling from the IRD • OIO consent

Proposed Amalgamation - Stapled Security Overview

-- ALL VALUES ARE INDICATIVE ONLY --

Stapled securities	Securities	<ul style="list-style-type: none"> • Stapled securities, comprised of a convertible note and an ordinary share
	Face Value / Issue Price	<ul style="list-style-type: none"> • Convertible notes issued at face value of NZ\$3.35 per note and ordinary shares issued at NZ\$0.1055 per ordinary share
	Issue size	<ul style="list-style-type: none"> • Approximately NZ\$4.1 billion for convertible notes and NZ\$129 million for ordinary shares
	Convertible Note coupons	<ul style="list-style-type: none"> • Initial coupon of 7.0%, rising 0.50% every 1 to 3 years (as determined by the Board of the new entity) to a maximum of market rate for similar investments
	Initial and future returns	<ul style="list-style-type: none"> • Initial FY09 yield of approximately 7.0%-7.5% • CPPIB anticipates that the yield on the stapled securities would be significantly higher than the yield on existing AIAL shares
	Listing platforms	<ul style="list-style-type: none"> • NZX and ASX

Proposed Amalgamation– New Airport Group Capital Structure

Bank debt will be a modest 23% of the initial capitalisation

-- ALL VALUES ARE INDICATIVE ONLY --

NZ\$ million

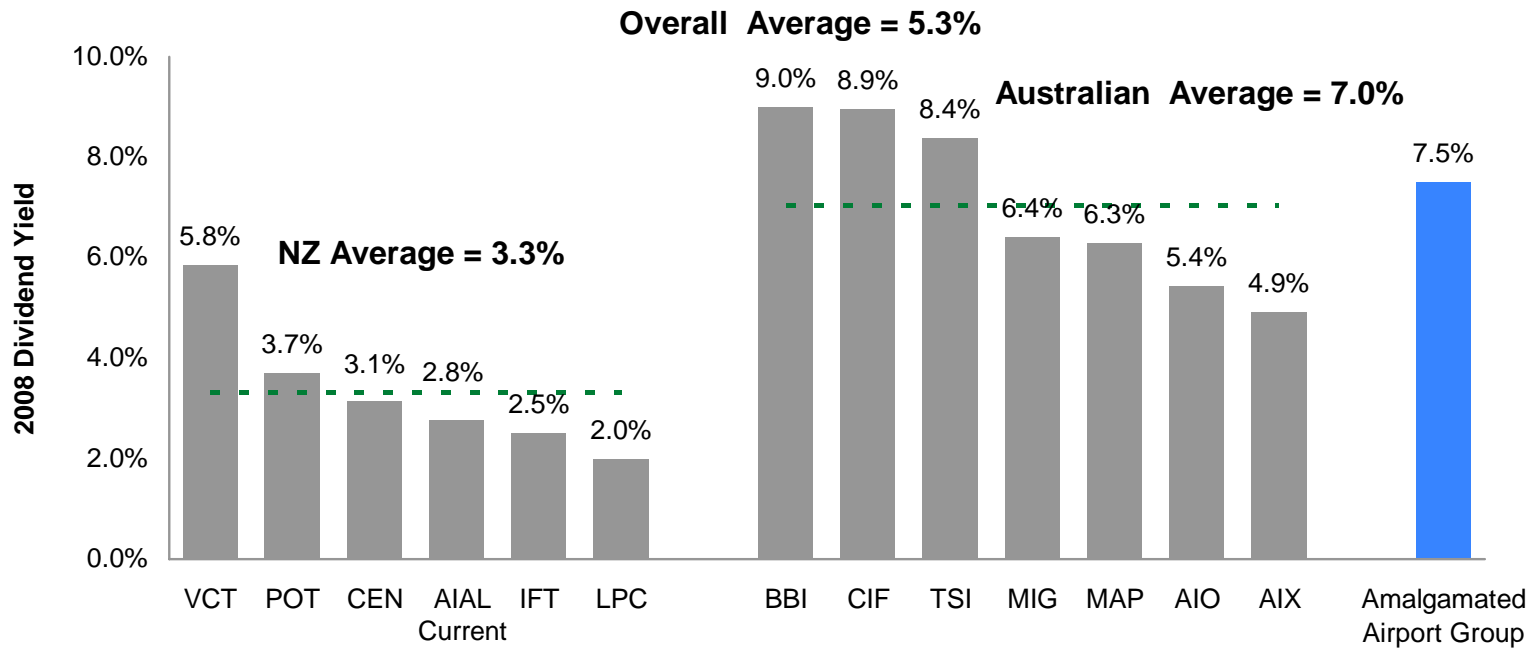
Ordinary Shares	129
Convertible Notes	4,094
Total investors funds	4,223
Net Bank Debt^{1,2}	1,275
Total Enterprise Value	5,498

Notes:

- 1 Based on CPPIB estimates, Initial external Net Debt / Enterprise Value will be a modest 23%; Initial External Debt / FY08 EBITDA will be 4.9x.
- 2 Total Bank debt is \$1,339m, however \$64m of required cash reserves have been subtracted for the purpose of the net debt calculation.

Proposed Amalgamation - Yield on the stapled securities

The amalgamated group will have a significantly increased annual cash yield



Source: IRESS, Alacra

Notes: Calculated as 2008 forecast Dividend Per Share / Current share price.

Proposed Amalgamation – External Debt Comparables

The proposed external debt package is more conservative than those used to finance a number of Australian airports

	Debt/LTM EBITDA	FFO/ Interest	Rating
Perth	5.7x	1.4x	BBB-
Sydney	11.3x	1.6x	BBB
Adelaide	8.1x	1.8x	BBB
Brisbane	6.5x	2.3x	BBB
Melbourne	5.2x	3.3x	A-
Average	7.4x	2.1x	BBB
AIAL Year 1	4.9x	2.3x²	BBB-¹

Source: Standard & Poor's, CPPIB analysis

Notes:

1. Indicative rating only.
2. Represents first full year of amalgamated structure.

Section 3

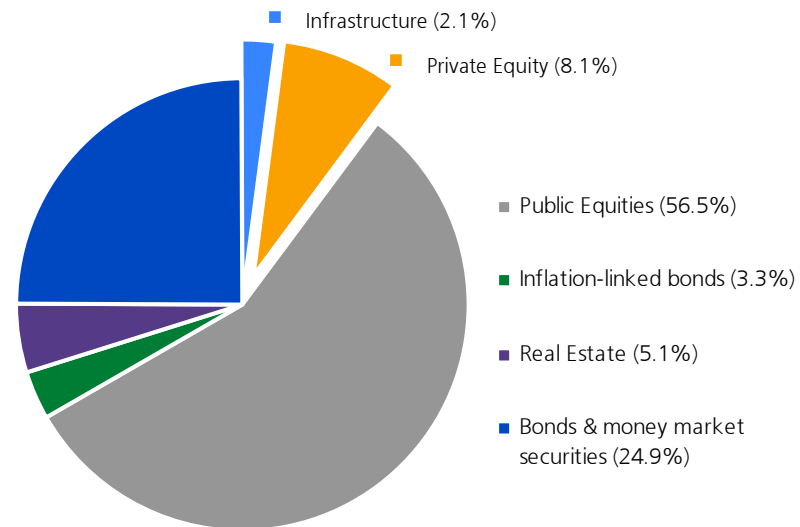
Canada Pension Plan Investment Board

Overview of CPPIB

CPPIB is the investment manager for the CPP Fund, one of the largest single purpose pools of investment capital in the world

- CPPIB is a Toronto-based organisation responsible for investing the assets of the CPP Fund to ensure the benefits of 17 million Canadians
- C\$121.3 billion (NZ\$165.9 billion) of funds under management, expected to grow to C\$250 billion within 10 years
- Long-term investment horizon
 - CPP Fund will continue to grow as contributions are expected to exceed annual benefits paid through 2019
- Investments in infrastructure assets expected to grow in absolute terms and as a percentage of the total portfolio
- CPPIB operates at arm's length and independently from governments





Canada Pension Plan Fund Composition as at 30 September 2007



CPPIB Strengths

- Infrastructure Focus** → CPPIB is an active investor in global infrastructure assets and continues to seek investments in transportation assets (airports, ports, toll roads), as well as assets involved in the distribution and transmission of electricity, water or gas.
- Significant Capital** → Patient, long-term capital, with substantial amounts of long-term equity to contribute to single transactions, often as a leading minority investor.
- Long Term Investment Horizon** → An investment horizon of greater than 25 years results in a focus on balancing multiple stakeholders' interests and a commitment to long-run sustainability and growth.
- People & Resources** → CPPIB's team of professional investors has relevant airport/aeronautical investing experience and will, as it has in the past, supplement management team strengths by nominating director(s) that have world-class applicable expertise.
- Focus on Asset Management** → CPPIB's management has strong incentives to maximise long term value, and the time and attention it pays to direct investments like AIAL is significant. CPPIB intends to devote resources on an ongoing basis to contribute to the long run growth of Auckland Airport.

Existing CPPIB Infrastructure Investments

 <p>June 2005</p> <p>UK Gas Distribution</p> <p>£66 million <i>for 17% interest</i></p>	 <p>June 2006</p> <p>Electricity Transmission in Chile</p> <p>US\$355 million <i>for 27% interest</i></p>	 <p>December 2006</p> <p>UK Water and Sewage Utility</p> <p>£500 million <i>for 32% interest</i></p>	 <p>Expected close 2nd Half 2008¹</p> <p>US Integrated Gas and Electricity Utility</p> <p>US\$885 million <i>for 28% interest</i></p>
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Notes:

1. Subject to shareholder and regulatory approval.

CPPIB Value Add

- **Members of the CPPIB team have significant airport and aeronautical investment experience**
 - Graeme Bevans has led investments in, and asset management of, Melbourne Airport, Brisbane Airport, Northern Territory Airport and stakes in Perth and Adelaide Airports
 - CPPIB intends to nominate at least one director to the AIAL Board who possesses significant global aeronautical or airport experience
 - CPPIB has already identified opportunities for increased performance in carparking, retail, property and route development
- **CPPIB is an active private investor on a global scale**
 - CPPIB is one of the world's largest infrastructure investors (NZ\$4.2 billion invested and committed to date)
 - CPPIB has more than NZ\$700 million in direct and indirect aeronautical private equity investments
 - CPPIB will support management by sharing best practices in global asset management, strategy development, and performance optimisation
 - CPPIB will seek to bring opportunities for Auckland Airport to apply its management model and existing management experience to other airport investments
- **CPPIB is conflict-free and is committed to:**
 - maintaining and developing a local and autonomous management team
 - transferring its experience from other investments and other jurisdictions
 - working with management to identify and implement further growth opportunities

CPPIB's Approach to the Airport

- CPPIB is supportive of AIAL's vision and planned growth
- CPPIB's model provides for development and strategic capex that is consistent with AIAL's current strategic plan and vision to remain a world class gateway
- CPPIB believes that there are four key areas for business improvement:
 - **Property** – the augmentation of team resources and continued work with local real estate advisers will increase the development opportunities for AIAL
 - **Route Development** – additional resources could help drive expansion of the available travel destinations, to the benefit of tourism in both Auckland and New Zealand
 - **Retail** – supported by investment in IT, active improvement of retail concession management, increased advertising, and realignment potential in the 3B and 3C projects will drive increased revenues
 - **Carparking** – opportunities include the provision of additional capacity closer to terminal buildings and greater segmentation of offerings
- To achieve these improvements CPPIB will leverage its internal resources, and supplement these resources by engaging with further industry experts and consultants on AIAL's behalf



Section 4

Conclusion and Timetable

Conclusion

The transaction will deliver significant benefits to all shareholders

- Partial takeover consideration per AIAL share of \$3.6555¹
 - This represents a value of 22.2x FY07 EBITDA
- This is a full and fair price that compares favourably with all key valuation metrics
 - Past trading prices (63% premium to 6 month pre – takeover speculation VWAP)
 - Transaction and trading multiples (22.2x AIAL's 2007 EBITDA versus global averages for minority stakes in airports of 15.5x)
 - Broker valuations (significant premium to consensus DCF valuations of \$2.41 - \$3.14)
- CPPIB will take all reasonable steps to ensure that as soon as practicable after completion of the offer, the CPPIB led proposed amalgamation will be placed in front of shareholders
- CPPIB will add value to AIAL by nominating director(s) with international airport expertise to the AIAL Board
 - CPPIB has identified opportunities for improvement in carparking, retail, property and route development
- The overall proposal will provide for an optimised capital structure resulting in :
 - gearing and funds flow ratios that compare favourably with Australian peers
 - substantially increased distributions to stapled security holders into the future

Notes:

1 Less any pre-transaction dividends.

Partial Takeover Timetable

-- ALL DATES ARE INDICATIVE ONLY AND SUBJECT TO CHANGE --

	Timing
OIO application filed	16 November 2007
Notice of intention delivered to AIAL	16 November 2007
Takeover documentation mailed to shareholders	14 December 2007
Overseas Investment Office approval	March 2008
Takeover closes	13 March 2008
Takeover complete	March 2008