Airport Development Group

AIRPORT DEVELOPMENT GROUP
ANNUAL REPORT 2003

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1 THE COMPANY

Mission Statement

"In the interests of all stakeholders, operate an airport business that is world class in financial and environmental performance, customer service and safety and security, and is recognized as a key contributor and participant in the economic growth of the Northern Territory"

Vision

Airport Development Group's vision is to be a world class Airport business. That is, we aspire to achieve the following:

- standards of efficiency and safety that equal world's best practice;
- compliance with all operational, regulatory and environmental standards;
- customer satisfaction with facilities, commensurate with the scale of our airports;
- staff and management excellence;
- appropriate returns to shareholders on invested capital that reflect the underlying risk; and
- all commercial opportunities are fully investigated, and where appropriate developed and implemented.

Values

We will demonstrate our values by action and we will:

- Deliver on our commitments to customers, shareholders and other stakeholders;
- Act with honesty and integrity in all our dealings with employees and customers;
- Demonstrate our professionalism and credibility in all areas of our operations;
- Respond in a timely and appropriate manner to stakeholder needs;
- Reward staff for their endeavours on a fair and equitable basis;
- Accept the responsibility and accountability that goes with the challenge of delivering objectives and plans;
- Respect all people who we work and have contact with; and
- Excel in providing the highest quality service and support to our stakeholders.

Shareholders

Development Australia Fund Management Ltd	www.arf.com.au/daf.asp	35.50%
Australian Infrastructure Fund Ltd	www.ausinfrastructure.com.au	25.40%
National Asset Management Ltd		14.55%
Laing Investments Ltd	www.laing.com	14.55%
BAA Australia Pty Ltd	www.baa.com	10.00%

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CHAIRMAN'S INTRODUCTION

Airport Development Group (ADG) is pleased to release its 2003 annual report. The ADG group comprises Darwin International Airport, Alice Springs Airport and Tennant Creek Airport.

Since privatisation in June 1998, the environment in which we operate has changed dramatically. The terrorist attacks of September 11, followed by the collapse of Ansett and subsequent removal of aeronautical pricing regulation in December 2001 set the scene for 2002/03.

The Bali bombings last October had a very real and tangible effect on Darwin International Airport as it became the hub of emergency evacuations from Bali. The professionalism and compassion in the way this tragedy was handled by all airport staff is to be commended.

Despite these tragic events and its effect on the aviation industry in general, once again the airports have shown great resilience to these external shocks. Although total passenger numbers have once again declined, the introduction of a commercial cost based pricing regime and the development of commercial opportunities has resulted in ADG ending the year with total revenues of $22.5 million, up 29% on the prior year.

Looking forward, we have a very full capital expenditure program at both Darwin and Alice Springs airports as we undertake a terminal refurbishment program to further enhance the airport experience for the passenger. There will be additional upgrades in security to comply with the new mandated security requirements. We will also be focussing on the rollout of our property development strategy and commercial opportunities as they arise. Darwin International Airport will continue with a landscaping initiative that began last financial year to improve the aesthetics and amenity of the airport grounds for visitors, the public and staff alike, whilst also remaining proactive to the environmental needs of the area, particularly the culturally and environmentally sensitive Rapid Creek which forms part of the boundary of the airport land.

Relative to the rest of Australia, the remoteness of the Territory means that people rely heavily on the airports for transport and we acknowledge and take very seriously the importance of the airports as a key driver of the Northern Territory economy. To this end we will focus on route development and working with government and airlines to encourage additional flights in and out of Darwin, Alice Springs and Tennant Creek.

Each airport is very active within its community and ADG has made it a priority to encourage positive involvement with the local communities. The airports continue to support local groups through board memberships and sponsorships of local events, charities, environmental and conservation groups and to provide training and employment opportunities for local indigenous groups. The ties with the community will continue to form a very important cornerstone of the group.

I would like to thank my fellow Board members for their efforts over the last year as well as the management team and staff of ADG whose commitment and drive is the key to future success within the organisation.

I look forward to the airports maintaining the high standards of professionalism, safety and service set within the dynamic environment in which we operate.

Mitchell King
Chairman

CHIEF EXECUTIVE'S REPORT

The performance of the last financial year, within the context of our operating environment has been outstanding. EBITDA was up 25% on the previous financial year to $10.75M and also ahead of budget which is an excellent performance given the events of the last twelve months. This strong result is due to good financial management through limiting our cost base and capturing revenue and development opportunities as well as implementing a more appropriate aeronautical pricing regime.

With the expiry of long term leases with airlines at the terminals and a conducive regulatory environment, aeronautical charges were amended. Following the revocation of aeronautical pricing regulation, ADG introduced a Passenger Facilities Charge (PFC) on the 1st October 2002 which is levied on domestic and international regular public transport operators. The PFC is a charge to recover the cost of providing the infrastructure to process passengers through the terminal. ADG also charges airlines an Airport Services Charge to recover the cost of the airside assets. The introduction of the PFC completed the move by ADG to passenger based pricing for regular public transport operators from the previous charges based on landed tonnes. General Aviation and freighters continue to be charged on a landed tonnes basis.

Operationally, domestic passengers exhibited a strong recovery in 2002/03 with an increase of 10% on the previous year, reflecting the continued increase in capacity following the collapse of Ansett in 2001, the introduction of Virgin Blue airlines in Alice Springs and countering the downturn in international travel. Internationally, the Bali bombings had a severe effect on passenger levels into Darwin Airport. Prior to the bombings, services to Bali represented 22% of total international passengers. Following the attacks, this percentage has dropped to 16%. International passengers were also adversely affected by the outbreak of SARS which resulted in the cancellation of the Arafura Games, a sporting event held every two years in Darwin which sees competitors predominately from Asia and Australia compete in a variety of events. Overall, international passenger numbers were down 29% on the previous year, and down 52% on pre September 11 2001 levels.

Commercially, 2002/03 was a very busy year for the group. The food and beverage concessions at Darwin and Alice Springs airports were put out to tender with Spotless Services awarded the contract for the next ten years. Spotless have spent the last few months refurbishing the food and beverage outlets with a total capital spend of $1.8M between the airports. The result has been excellent with a greater variety of food, enhanced quality and a better experience for passengers.

The specialty retail concessions were also put out to tender with the contracts awarded to Australian Way and GemCave. Their sites have also been extensively refurbished and now offer an increased selection of consumables and goods for the visitor. The airports will now look to complete the terminal re-theming in the next financial year.

ADG's first non-aviation property development was completed successfully in 2002/03. The Environment Australia building, a $5.6M administration and laboratory facility which houses the Office of the Supervising Scientist, was officially opened on 25th November 2002. The project was managed in-house, on time and within budget and proved ADG has the expertise to develop the land bank at Darwin Airport. Our intention in the next financial year is to develop the infrastructure required to open up the vacant land at the airport and further progress the development opportunities as they arise.

2002/03 also saw the refinance of our existing debt facilities which incorporated senior bank debt and junior bonds. The $123.7 million new debt package comprises senior bank debt only and includes a $40 million capital expenditure facility. The new finance package offers substantially more flexibility with reduced debt covenants and lower margins, reflecting the strength of the business. It provides funding for the future development of the airports over the next five years.

The company also executed a consulting agreement with BAA International, one of our shareholders, for the next ten years to provide operational and technical advice. The BAA agreement has superseded the previous technical services agreement held by Port of Portland Holdings. The new agreement provides a strong platform of broad experience drawn from the largest airport operator in the world from which ADG can access if and when required.

ADG has put in place all the requirements for successful and profitable growth. We have increased our staffing levels to have the requisite skills for further development, we have the funding in place to capitalise on the commercial opportunities and we have a clear strategy for our business. Our airport security will be further strengthened to comply with new Federal security requirements and we are committed to the highest level of safety and security for all passengers and visitors to our airports. We also acknowledge the importance of the airports in the Territory as a key driver of economic growth and work in close consultation with the Northern Territory Government and other community and environmental stakeholders. We are focussing on the continued development of our relationship with existing and potential airlines with a view to increasing route development in the Territory. Most of all, we strive to continue to operate our airports responsibly and in the interests of all our stakeholders.

Ian Kew
Chief Executive Officer

COMPANY OVERVIEW

Airport Development Group

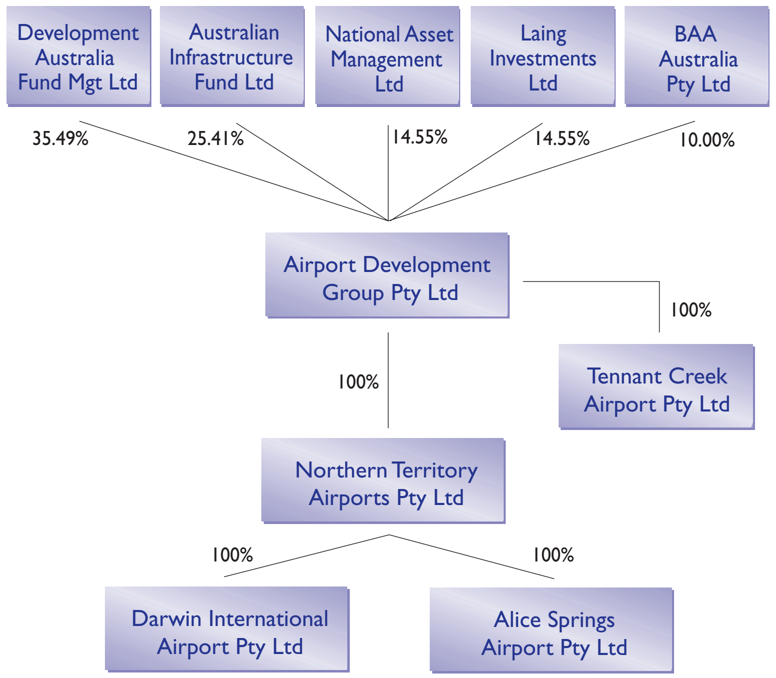
Airport Development Group Pty Ltd (ADG) through its subsidiaries acquired a lease for the three Northern Territory Airports comprising Darwin International Airport, Alice Springs Airport and Tennant Creek Airport, from the Commonwealth Government with a commencement date of 10 June 1998 and total consideration in the order of $110 million.

ADG is the ultimate parent of the group. ADG owns 100% of Northern Territory Airports Pty Ltd (NTA) which in turn owns 100% of Darwin International Airport Pty Ltd (DIA) and Alice Springs Airport Pty Ltd (ASA) who are respectively the holders of a 50 year lease over Darwin International Airport and Alice Springs Airport with free options to renew for a further 49 years.

ADG also owns 100% of Tennant Creek Airport Pty Ltd (TCA) who are the holders of a 50 year lease over Tennant Creek Airport with a free option for a further 49 years.

ADG is majority Australian owned and has five shareholders comprising:

- Development Australia Fund Management Ltd (managed by Hastings Funds Management Ltd);
- Australian Infrastructure Fund Ltd (managed by Hastings Funds Management Ltd);
- Laing Investments Ltd;
- National Asset Management Ltd; and
- BAA Australia Pty Ltd.



4 COMPANY OVERVIEW

Darwin International Airport

Darwin International Airport (DIA) is the main international and domestic gateway to the Northern Territory and is Australia's closest airport to Asia. DIA provides facilities for international, domestic and regional passenger airlines and for general aviation and helicopter traffic. It also provides facilities for handling air freight and operates curfew free 24 hours per day and is located approximately 13 kilometres from the Darwin central business district on a site of approximately 311 hectares. DIA is a joint user airport where the civilian airport shares runway areas and associated infrastructure with the Royal Australian Air Force (RAAF). The joint user area shared by the airport and the RAAF is governed by the Joint User Deed.

In the 2002/03 financial year, the airport recorded approximately 875,000 domestic passengers and 210,000 international passengers, a respective increase of 10% for domestic and decrease of 29% for international on the previous financial year.

The primary facilities at DIA include:

- a two runway system, with the main runway of 3,354 metres and capable of handling all existing and planned aircraft types including the A380 Airbus, and the secondary runway of 1,524 metres together with associated aprons and taxiways;
- a two level, 16,000 square metre integrated terminal building completed in 1991, handling all international and domestic passenger movements. The ground level provides check-in and baggage reclaim and the first floor services departing and arriving passengers and contains retail areas;
- ten aircraft parking stands on the main apron, three of which are serviced by aero-bridges (one of which can handle Boeing 747 aircraft);
- a general aviation area consisting of an apron with parking for approximately 100 aircraft and a number of aircraft maintenance hangars currently leased by groups such as Pearl Aviation, Paspaley Pearling, and National Jet Systems;
- air freight facilities which are located to the east of the terminal; and
- refuelling and other aeronautical service related facilities.

The principal business activities that are undertaken by DIA include:

- airport operations including:
  - the development, provision, and maintenance of core aeronautical infrastructure in conjunction with the RAAF;
  - the provision, operation and maintenance of the combined domestic and international terminal; and
  - provision of safety and security services;
- car parking;
- retail and trading; and
- property management and development.

Alice Springs Airport

Alice Springs Airport (ASA) is a significant domestic airport servicing the needs of the Central Australian region. ASA provides facilities for domestic and regional passenger airlines and for general aviation and helicopter traffic. It operates curfew free 24 hours a day. The terminal is located 14 kilometres south of Alice Springs on a site of approximately 3,550 hectares.

ASA served approximately 570,000 domestic passengers in the 2002/03 financial year, an increase of 10% on the prior year. A significant proportion of passenger traffic is associated with tourism.

The main facilities at ASA include:

- a three runway system comprising a main runway of 2,438 metres and two general aviation runways of 1,133 metres and 1,029 metres;
- a 10,000 square metre terminal building completed in 1991. The terminal building is controlled and operated by ASA;
- ten aircraft parking stands on the main apron;
- a general aviation area consisting of apron parking for approximately 70 aircraft and a number of maintenance hangars; and
- refuelling and other aeronautical service related facilities.

Navigational aids are provided by Airservices Australia, who also provide air traffic control services and fire fighting services.

Tennant Creek Airport

Tennant Creek Airport (TCA) is a regional airport that was acquired as part of the privatisation of DIA and ASA. Located one kilometre from the remote outback township of Tennant Creek, the airport caters to mining companies and small predominantly aboriginal communities in the surrounding area, providing an important link for the local population with Alice Springs, Katherine, Darwin and regional centres.

TCA has facilities for regular public transport and general aviation aircraft. The airport occupies a site of 323 hectares and has two runways together with associated taxiways and apron areas and a domestic terminal. There is no curfew imposed at TCA. In the financial year 2002/03 TCA serviced approximately 6,400 landed tonnes and 2,800 movements, a respective decrease of 13% and 23% on the previous financial year.

5 BUSINESS OVERVIEW

Major Airline Carriers

Darwin International Airport
- Qantas
- Virgin Blue
- Air North
- Airlink
- Garuda
- Royal Brunei

Alice Springs Airport
- Qantas
- Virgin Blue
- Air North
- Airlink

Tennant Creek Airport
- Air North

Operational Performance

DARWIN INTERNATIONAL AIRPORT

	2002/03	2001/02	2000/01	1999/00	1998/99
PASSENGERS:					
Domestic Pax	875,000	800,000	945,000	855,000	815,000
International Pax	210,000	290,000	435,000	335,000	345,000
Total Pax	**1,085,000**	**1,090,000**	**1,380,000**	**1,190,000**	**1,160,000**
AIRCRAFT MOVEMENTS:					
Regular Public Transport	18,000	18,700	26,000	27,000	23,000
General Aviation	40,600	49,000	60,800	58,000	59,000
Total Aircraft Movements	**58,600**	**67,700**	**86,800**	**85,000**	**82,000**
LANDED TONNES:					
Total Landed Tonnes	**525,000**	**590,000**	**810,000**	**725,000**	**670,000**

ALICE SPRINGS AIRPORT

	2002/03	2001/02	2000/01	1999/00	1998/99
PASSENGERS:					
Domestic Pax	570,000	520,000	665,000	600,000	610,000
Total Pax	**570,000**	**520,000**	**665,000**	**600,000**	**610,000**
AIRCRAFT MOVEMENTS:					
Regular Public Transport	7,500	8,200	11,800	13,000	13,000
General Aviation	16,200	17,900	22,800	20,000	23,000
Total Aircraft Movements	**23,700**	**26,100**	**34,600**	**33,000**	**36,000**
LANDED TONNES:					
Total Landed Tonnes	**223,000**	**206,000**	**287,000**	**300,000**	**320,000**

TENNANT CREEK AIRPORT

	2002/03	2001/02	2000/01	1999/00	1998/99
AIRCRAFT MOVEMENTS:					
Total Aircraft Movements	**2,800**	**3,600**	**4,800**	**-**	**-**
LANDED TONNES:					
Total Landed Tonnes	**6,400**	**7,400**	**8,900**	**9,800**	**-**

BUSINESS OVERVIEW

Operational Performance

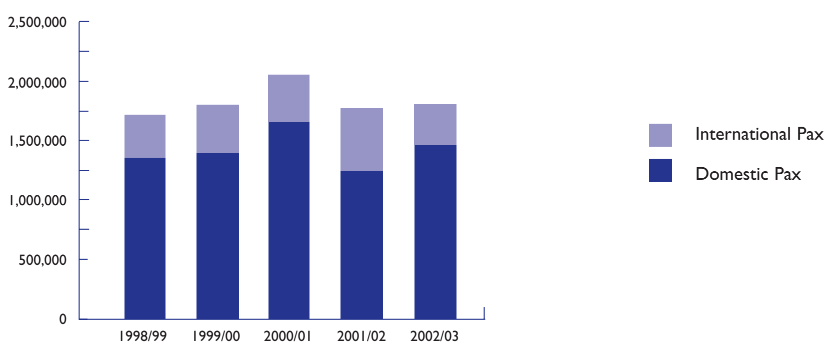
Following on from the terrorist attacks in the United States and the demise of Ansett last year, the 2002/03 financial year was another difficult trading year for the aviation industry. The Bali bombings on 12th October 2002 had the effect of an immediate reduction in international passengers at Darwin International Airport. Total weekly flights to Denpasar reduced from five flights in to three flights. Given that Denpasar is one of only three main international destinations out of Darwin, the reduction in capacity had a significant effect on international passenger numbers. The SARS outbreak early in 2003 added to the general fear of international travel particularly to and from the Asian regions. This concern over SARS further contributed to a continued softening in international markets and directly impacted Darwin International Airport with the cancellation of the Arafura Games in May 2003. Overall international passengers at Darwin International Airport were approximately 210,000, a reduction of 29% on the previous financial year.

Domestically operational performance was positive at Darwin and Alice Springs airports with passenger numbers up 10% to 1,445,000 reflecting a swift recovery of capacity following the collapse of Ansett and countering the downturn in international travel. This increase also reflects international passengers travelling domestically via other Australian airports to the Territory and is a result of the current constraints on international inwards capacity to Darwin, particularly from Singapore.

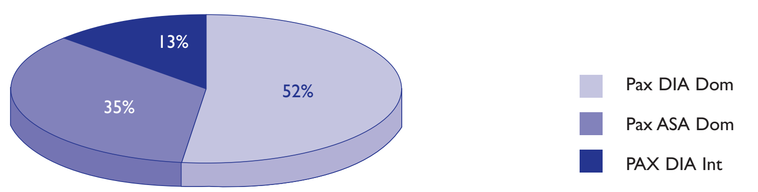
In addition, capacity on the domestic routes into Alice Springs and Darwin has been increased with Virgin Blue commencing a daily service from Sydney to Alice Springs on the 5th June 2003 adding an additional 1000 seats per week. Virgin Blue has also increased flights into Darwin, adding a Sydney-Darwin direct route five times a week from the 14th June 2003. This new service is in addition to the existing Brisbane-Darwin service. To date, both new services have been well patronised and a welcome addition to much needed capacity at Darwin and Alice Springs airports.

Qantas have also continued to add services and capacity where necessary to cope with demand.

ADG Passengers



Passenger by Type 2002/03



ADG Financial Results Summary

Financial Year Ending ($000S)	2003 ADG	2002 ADG	2001 ADG	2000 ADG	1999[2] ADG
REVENUE:					
Aeronautical	13,385	7,863	6,509	6,023	6,138
Trading	4,534	4,261	4,253	3,764	3,109
Property	3,821	4,651	5,102	4,942	4,478
Other	784	709	492	598	415
Total[1]	**22,524**	**17,484**	**16,356**	**15,327**	**14,140**
EXPENDITURE:					
Labour and staff overheads	4,382	3,353	3,045	3,024	2,958
Service and utilities	1,887	1,664	1,529	1,819	1,935
Administration	2,702	2,044	1,928	1,306	1,508
Maintenance	1,424	990	1,114	1,257	950
TSA expenses	1,378	813	734	831	831
Total	**11,773**	**8,864**	**8,350**	**8,237**	**8,182**
EBITDA:	**10,751**	**8,620**	**8,006**	**7,090**	**5,958**
Depreciation	5,631	5,400	5,316	5,077	5,236
Amortisation	557	558	558	558	602
EBIT:	**4,563**	**2,662**	**2,132**	**1,455**	**120**
Net Borrowing Costs	6,797	5,400	5,292	4,982	4,958
Abnormals / Tax Benefit	4,998	(9)	(1)	349	(107)
NET LOSS AFTER TAX:	**(7,232)**	**(2,729)**	**(3,159)**	**(3,876)**	**(4,731)**

(1) Revenue excludes passenger security, checked bag screening and counter terrorist first response charges which are levied such that revenue received is equally offset by expenses incurred. In 2002/03, revenue from security charges was $3.29 million.
(2) Represents from 11 June 1998 to 30 June 1999.

Financial Performance

The ADG group performance for the financial year exceeded budget expectations and was a significant improvement on the previous year. EBITDA for the year was $10.75 million, up 25%. The result has culminated from a growth in revenue of 29% or an exceptional $5.0 million and expenditure only increasing by $2.9 million.

Following the revocation of price regulation, ADG introduced the Airport Services Charge (ASC), on 1 December 2001 to replace the existing landing charge and based this charge on passenger numbers. With the expiry of long term leases with airlines at the terminals ADG also implemented the Passenger Facilities Charge (PFC) levied on domestic and international regular public transport operators. This charge was progressively introduced from 21 December 2001 to 1 October 2002, at $2.50 per passenger excluding GST for the use of terminal aeronautical assets.

As a result of these two charges, aeronautical revenues for 2002/03 were significantly higher than the prior year with an increase of 70% or $5.5 million. This is despite the poor performance in international passenger numbers. ADG continues to under recover costs in the provision of aeronautical services, however the current price regime is more reflective of the costs of operations of airports in the Northern Territory.

Trading revenues increased 6.4% over the prior year and is largely reflective of the outstanding performance in car parking with a full financial year of the revised flat fee operating structure. This positive effect on trading was offset by a poor performance in duty free revenues which were down 24% on the prior year reflecting the reduced number of international passengers through Darwin Airport.

Property revenues are lower on account of the Ansett demise and the new passenger facilities charge which is classified as aeronautical revenue and replaces traditional property rentals.

Total expenses for the financial year were $11.8 million, $2.9 million or 33% higher than the previous year.

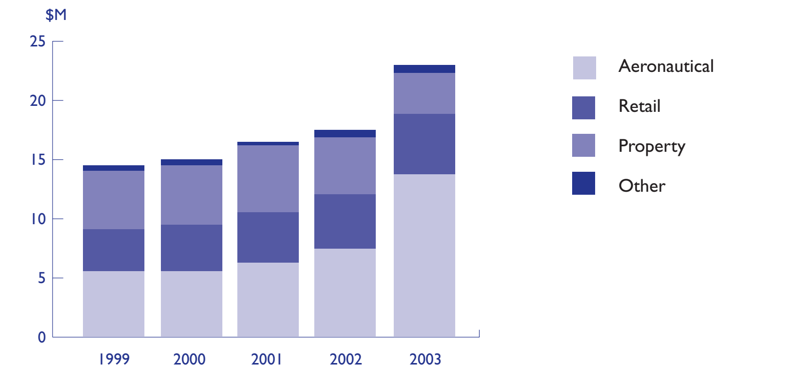
Overall staff numbers have increased during the financial year and a number of new positions were established to facilitate the ongoing development aspirations of the airports. Staffing overheads were higher than the previous year reflecting the exit costs associated with the change in superannuation funds from the former defined benefit scheme operated by the Airports Australia Super Fund to the accumulation style fund with the Australian Retirement Fund. This contributed to an increase in overall staffing costs by $1.1 million.

Services and utilities costs were slightly higher than the previous year and are largely reflective of higher electricity and cleaning costs. The cost of insurance has spiked since the terrorist attacks and this contributed to an increase in general administration costs.

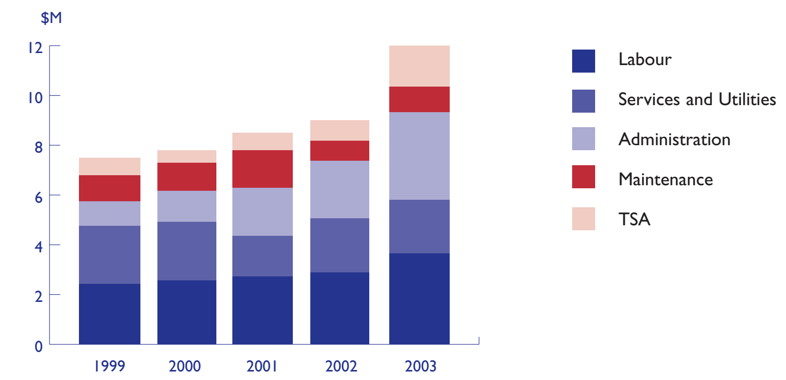
The technical services agreement was held by the Port of Portland Holdings following the buyout of the agreement from Airport Group International in May 2001. In addition to the payments made under this agreement, BAA provided technical and operational advice under a separate consulting agreement. The effect of the two agreements in operation as well as an adverse exchange rate resulted in higher costs this year relative to prior years. The technical service agreement held by the Port of Portland Holdings was formally extinguished on the 6th June 2003 at a cost of $5.0 million and a consulting agreement with BAA International is now the only technical services agreement in place. The cost to extinguish the old technical services agreement was fully expensed in the financial year.

Net borrowing costs were higher than the previous year resulting from a premium of $0.9 million which was paid to buy back and exit the junior bonds as a result of the refinance of the debt facilites which took place during the year. The one-off expenses of the extinguishment of the Port of Portland Holdings Technical Services agreement and the junior debt premium contributed to an increase in the net loss to $7.2 million for the year.

ADG Revenue by Source



ADG Expenses by Source



Refinance

Northern Territory Airports Pty Ltd, a subsidiary of Airport Development Group Pty Ltd and the funding vehicle for Darwin International and Alice Springs Airport has recently completed a refinancing of the existing debt facilities. The senior debt facility held by ANZ, Bank of America and Credit Agricole Indosuez and junior bonds held by Colonial First State Investments were paid out on the 6th June 2003 and a new five year $123.7 million senior debt package with the Commonwealth Bank of Australia has been implemented.

The new debt package offers more flexible funding arrangements for the airports at a lower cost of debt finance and less restrictive debt covenants. The senior debt package includes a $40 million capital expenditure facility which will ensure funds are available to cater for the expected commercial and aeronautical development at Darwin International and Alice Springs Airport for the next five years.

The debt refinancing has been the result of several months of negotiations with several leading banks through a tender process. The airports were very well received by the banking sector with a high degree of competition between the banks. The Commonwealth Bank were chosen as the preferred banker of the airports after an exhaustive selection process. Following financial close, the Commonwealth Bank sold down $32.7 million of the senior debt to National Australia Bank.

MAJOR EVENTS

Route Development

Airport Development Group (ADG) has been very active in promoting airline development into Darwin, Alice Springs and Tennant Creek airports, and none more so than in the last twelve months. The implementation of the route development strategy for the financial year started with senior management attending an international routes conference in Athens in September 2002 where ADG was able to conduct constructive discussions with ten airlines over a two day period. The response from the airline representatives was very positive with firm commitments to continue ongoing meaningful discussions. The routes conference represented an opportunity to lift the profile of the Northern Territory and the Territory airports and was beneficial in expanding a network of contacts.

As part of our route development strategy, Peter Roberts, was appointed to the newly created position of Aviation Development Director. The position was the result of an innovative partnership agreement between ADG and the Northern Territory Government to encourage airlines to expand services to and within the Northern Territory. In particular, it is a high priority to encourage the growth of airline services to Darwin, Alice Springs and Ayers Rock.

The appointment of a dedicated Aviation Development Director has seen some swift results to the benefit of the airports and the Northern Territory. Following intensive discussions, Virgin Blue commenced services into Alice Springs in June 2003 with a direct daily flight from Sydney. In June 2003 Virgin Blue also established a new direct route from Darwin to Sydney with an initial frequency of five services per week.

An ongoing dialogue with Qantas senior management and its subsidiary Australian Airlines has also been established. As a result, Qantas has increased capacity in response to demand and introduced a growing number of promotional fare initiatives.

The Aviation Development Director was a member of a delegation that travelled during March 2003 with the Chief Minister of the Northern Territory to Hong Kong, Singapore and Kuala Lumpur. Successful meetings were held with the chief executives of Cathay Pacific Airlines, SilkAir and with the managing director of Malaysia Airlines. There are ongoing discussions with these and other airlines in respect to additional international services to the Northern Territory.

Looking forward, ADG will be working very hard to further expand domestic routes and regain the services of those international airlines who have withdrawn from the Territory over the last few years as well as lobbying existing and new international airlines to expand or begin services into Darwin.

In addition to increasing international capacity from Darwin to Asia, it will be a priority to attract international flights to Alice Springs.

The Chief Executive Officer and Aviation Development Director are also members of the Northern Territory Aviation Committee, chaired by the Managing Director of the Northern Territory Tourist Commission. This Committee has developed an Aviation Strategy for the Northern Territory Government that is planned to be released before the end of 2003.

"The focus on route development over the last twelve months has resulted in the successful introduction of a second major domestic airline to the Northern Territory and the expansion of services from Qantas."

6

MAJOR EVENTS

Bali Tragedy

The tragic events of 12th October 2002 in Bali resulted in an unprecedented evacuation to Darwin of injured victims of the bombing blast. All aspects of airport logistics had to be processed urgently as Darwin International Airport's strategic location made it a highly effective hub of operations.

The evacuation flights carrying injured victims from Bali into Darwin were initially to be handled at the RAAF Base. However there was a legitimate concern that the extra time it took to reach the Royal Darwin Hospital from the RAAF Base would be critical to the lives of some of the incoming patients. Consequently all evacuation flights were processed through Darwin International Airport. Stationary aircraft at the airport were moved, the apron was cleared and the emergency meeting gate was monitored. With the help of the Australian Protective Service, the RAAF Security and Police, the arrival of the medical teams and ambulances were coordinated at the airport. Eleven ambulances and a special RAAF bus fitted to accommodate stretchers were present to transfer the injured to hospital. In total Darwin airport received four RAAF C-130 emergency flights on Monday 14th October 2002. Critically injured passengers were then transferred to Royal Darwin Hospital. Throughout the week Learjet and C-130 medivacs were used to transfer intensive care passengers on to Brisbane, Perth, Adelaide and Melbourne.

As well as the injured there was a large exercise in bringing planes at full capacity carrying those desperate to leave Bali. All connecting passengers from Bali were given access to the Qantas Club ensuring passengers were as comfortable as possible. Telstra provided mobile phones for complimentary calls to ease problems for families.

In spite of the tragic events of Bali, the teamwork and dedication that was displayed by all those involved in the evacuation flights and the bravery shown by those injured was a testament to the great Australian spirit. On a flying visit to Darwin ten days after the bombing, the former Governor General, Dr Peter Hollingworth also personally thanked those involved. He stated "for the past few days, from Bali to Darwin Public Hospital, we've seen evidence of a remarkable operation, of staff learning new things and doing as much as they can for each other".

Safety and Security

As airport operators, Darwin International Airport, Alice Springs Airport and Tennant Creek Airport are responsible for providing airport security to government mandated standards.

The terrorism attacks in the United States on 11th September 2001 and the Bali bombings of 12th October 2002 have resulted in a dramatic change in the security environment in Australia. Airport security is one of the areas that has come under intense scrutiny and review by the Government, aviation industry and related parties to ensure that air travel to and within Australia remains secure.

Since 11th September 2001, the Australian Government introduced a series of new aviation security measures including:

- tighter passenger and carry-on baggage screening;
- increased Australian Protective Service presence to perform Counter Terrorist First Response functions;
- changes to traffic management in front of terminals; and
- further limitations on goods allowed for carriage as cabin luggage.

ADG was swift in implementing the new measures, ensuring security at Darwin and Alice Springs airports was tightened.

Following the Bali bombings, on the 11th December 2002 the Australian Government announced further increases in aviation security requirements. The enhanced security measures include:

- 100% inspections of passenger and carry on baggage screening;
- checked bag screening upgraded for all international and domestic flights at Darwin International Airport and the capability to undertake domestic checked bag screening as and when required for specific flights at Alice Springs; and
- explosive trace detection equipment operational at all domestic and international passenger screening points.

To comply with these new measures, an additional x-ray unit will be installed at Darwin International Airport to meet the peak passenger processing demands and planning is proceeding for the introduction of on-line x-ray checked bag screening. At both Darwin and Alice Springs airports, the passenger screening points are being upgraded and expanded, including the introduction of trace detection processing.

These measures are to be introduced as soon as possible and must be operating by December 2004 with the cost of implementing these upgraded measures to be met by the aviation industry.

Airport Development Group is working diligently to comply with the new security measures and it is anticipated that significant capital spends will be required in the next two financial years.

Australian Protective Service

ADG has been working with the Australian Protective Service (APS) to accommodate the new security requirements at Darwin International and Alice Springs airports. Darwin Airport will build an extension to the western end of the terminal to provide administration and training facilities over a floor area of about 230sqm. As a result of the airport's increased security requirements, APS has outgrown the existing areas in the DIA terminal building and we have moved quickly to ensure appropriate facilities could be made available to meet APS's needs.

At Alice Springs Airport, APS moved into the refurbished airport management building located outside the terminal in April 2003. This move represented a substantial improvement in APS's accommodation and facilities. The incumbent airport management team have subsequently moved to the terminal to occupy the old Ansett administration offices.

Following the expanded presence at both airports, APS will provide counter terrorist and protective services to Darwin and Alice Springs airports for a further ten years. APS and the airports have also committed to entering into a level of services contract to ensure that the highest standards of security are maintained across both airports at all times.

Australian Customs Service

During the year, the international passenger processing areas managed by the Australian Customs Service has been expanded with an increase in inspection benches from seven to thirteen and an increase in x-ray machines from one to two with provision to incorporate a third machine when it is required. This expansion was completed in June 2003 and has enabled Customs to continue to meet it's agreed processing times, and facilitate the Government's requirement for 100% passenger screening and inspection.

MAJOR EVENTS

Retail Tender Renegotiations

The major retail concessions at Darwin and Alice Springs airport have undergone a dramatic transformation over the last financial year through retail tender renegotiations. ADG's food retail strategy was to introduce recognised consumer brands to the airports' food and beverage offering with a view to establishing benchmarks on quality and price which assures customer satisfaction and maximises sales potential. The strategy culminated in the award of the terminal food and beverage concession at both airports to Spotless Services Catering (Spotless) in March 2002, replacing Airport Retail Enterprises. Operations commenced June 2002 with Spotless signing a ten year contract and spending an initial $1.5 million on upgrade works. The reconfiguration of the food and beverage offering resulted in the following outlets:

Darwin International Airport

- Domestic Departures Lounge – Aroma's Café which features coffee and a full menu offering, Red Rooster Chicken and the Fannie Bay Ale House offering light foods including alcohol. The new eateries were officially completed in April 2003.
- International Departures Lounge – Aroma's Café which was completed in August 2003.
- Arrivals Hall – News Café which was completed in October 2002.

Alice Springs Airport

- Departure Lounge – Todd River Ale House and Café Alice: a combined café and bar which was completed in November 2002. An official opening ceremony was held in conjunction with the Alice Springs Chamber of Commerce on 24th February 2003.

The new eateries have proved very successful and are well patronised. It is anticipated that the branded concepts at the domestic arrivals, departures and international transit lounge will deliver a significant overall improvement in food and beverage sales at the airports.

The second major retail development has been the tender of the specialty retail concessionaire at Darwin and Alice Springs airports in July 2002. This resulted in the renegotiation and award of the contract to one of the existing Alice Springs Concessionaires, Australian Way, who offers newsagency, fashion, souvenir and gifts and Gem Cave at Alice Springs who provides specialty jewellery.

Australian Way had been operating as the fashion and souvenir retailer at Alice Springs for five years and ADG was pleased to extend this relationship for a further seven years and to extend its trading range to include news and books. Australian Way is undertaking its first business relationship with ADG at Darwin International Airport and it is pleasing to see this operator's level of commitment in the Northern Territory. Australian Way has spent considerable time and effort into redesigning and upgrading the news and retail outlets which were completed in June 2003 and has resulted in a greater offering and significantly improved shopping experience for airport passengers. Australian Way has spent $400,000 on its new outlets which demonstrates its confidence in the Darwin market.

Gem Cave is a first time operator at an airport and ADG is delighted to support a local Alice Springs business. Gem Cave offer high quality precious metals, precious stones, fine jewellery and specialise in opals and have proved very successful with airport passengers accounting for 65% of all opals sales in the Alice Springs region. The outlet has been redesigned and themed with a gem cave appearance. ADG is pleased to welcome Gem Cave to the airport and looks forward to a long and mutually beneficial relationship.

MAJOR EVENTS

Terminal Initiatives

Unlike many other airports around Australia, the airport facilities at Darwin International Airport and Alice Springs airport are fully controlled by ADG. There are no long term leases with airlines other than administration offices and lounge facilities. This has enabled the airports to have full flexibility and control to allow new airlines to utilise airport facilities such as ground service equipment areas, aerobridges, departure lounges, immigration, quarantine and Australian Customs passenger processing areas, public address and closed circuit surveillance systems, baggage make–up areas, baggage handling and reclaim areas, public areas including amenities, lounges, lifts and escalators, flight information display systems, covered walkways & external stairways and elevated pathways, boarding gate counters, check-in counters, ticket sales counters, and other airport facilities on a per passenger basis. This flexibility was demonstrated with the introduction of Virgin Blue airlines into Alice Springs in June 2003. From the very first flight, Virgin Blue passengers were able to utilise terminal space from check-in facilities to departure gate lounges providing passengers with the same high level of comfort and airport efficiency as other established airlines.

Over the past 12 months there has been a flurry of airline office expansions and relocations at Darwin International Airport reflecting the increased levels of passenger demand and the growing importance of Darwin International Airport as a major destination and hub for airlines. Major moves include:

- Qantas have united their previous separately located international and domestic administration offices into one block and have moved into the old Ansett administration areas consolidating their total office space from 852sqm to 750sqm.
- Airnorth have doubled their administration office space by moving into the old domestic Qantas administration area and have signed up for a 5 year lease which includes a further five year option with the airport.
- Virgin Blue have increased and relocated their administration office area to take up part of Airnorth's old office space. Fitout works were completed in May 2003 and a lease for 5 years with a further option for 5 years has been agreed.
- DIA Airport Management are considering relocating from their offices outside the terminal to the old Qantas international administration area in the financial year 2003/04 providing an opportunity to lease the current administration building to a commercial tenant.

Alice Springs Airport management have relocated from their administration office building located outside the terminal into the old Ansett offices after refurbishing the area in January 2003. The old management offices were leased to Australian Protective Service.

Virgin Blue has also taken up a 5 year lease with a further option period of 5 years for 71sqm of administration office space at Alice Springs and commenced operating from these facilities in June 2003.

Future Terminal Initiatives

DIA Terminal Upgrade

Qantas Club

The size of the Qantas Club Lounge in Darwin is being doubled with the floor area expanding from 307sqm to 651sqm. This expansion reflects the strong growth in Qantas Club Lounge patronage at Darwin Airport since the collapse of Ansett airlines. The airport will extend the eastern end of the first floor of its terminal building by 344sqm. All works are scheduled for completion by the end of 2003. The new facilities will represent a substantial upgrade in Club Lounge services and demonstrate Qantas's desire to improve its level of service to its business customers.

Terminal Theme

Following on from the upgrade of the retail concessions at Darwin International Airport, the terminal will be modernised with the replacement of the carpet on both the ground and first floor and new seating for passengers on the first floor. It is intended that Territory themes and colours will be incorporated as design elements into the upgrade process to provide a unique "Top End" feel and experience for travellers using the Darwin terminal. These works are to be completed in the next financial year.

Swing Lounge

The former Ansett Golden Wing Lounge will be reconfigured to form a movable floor space between international and domestic departure lounges through the use of manually operable walls. During peak international demand, the wall at the western end of the lounge will be opened and the wall at the eastern end will be closed providing an increase in international lounge capacity. During peak domestic demand, the wall at the eastern end of the lounge will be opened and the wall at the western end will be closed providing an increase in domestic lounge capacity. When VIPs, special airport events, or charter flights requiring quarantine lounge space need to be accommodated both operable walls can be shut off creating a private area. This initiative has been discussed with and conditionally approved by Customs.

The swing lounge is an innovative project that will delay major terminal expansion by between 5 to 7 years by utilising available space when required in peak periods by different airport users.

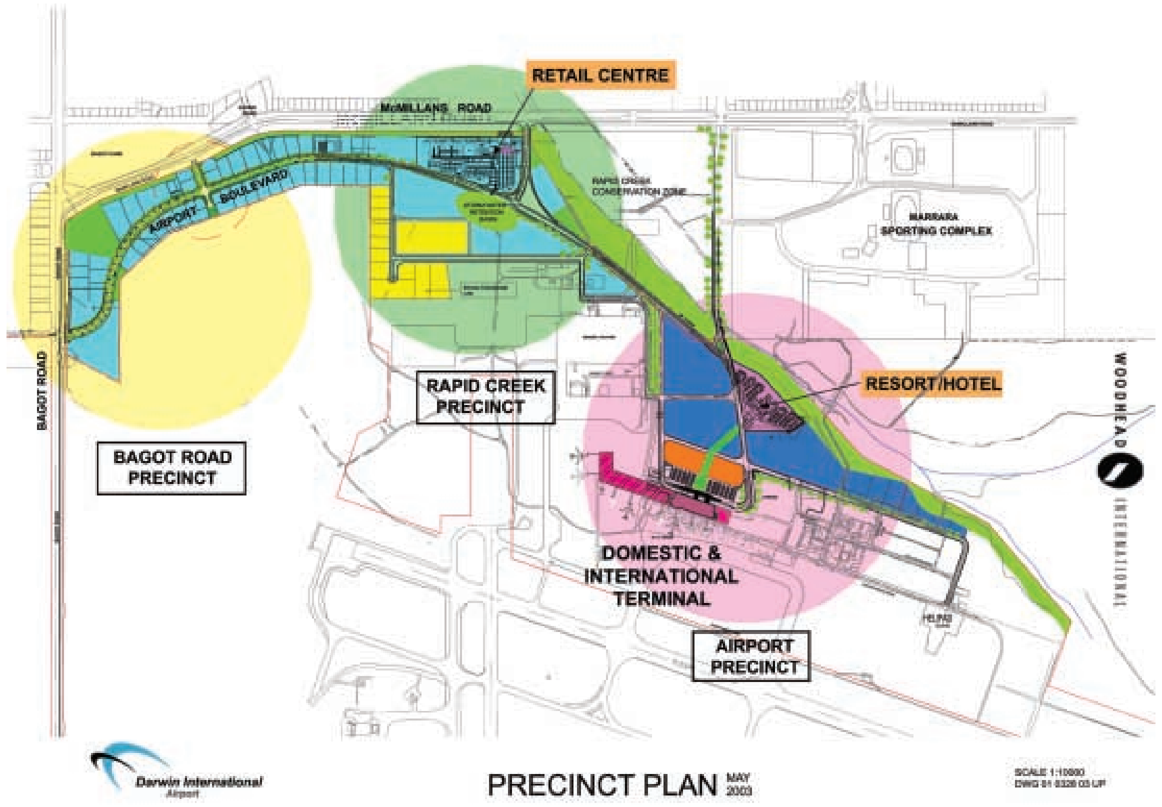
Upgrade of FIDS (Flight Information Display System)

The flight information display system will be substantially upgraded in the next financial year which will contribute to enhance the passenger experience at Darwin International Airport. It is intended that the latest technologies and software will be incorporated to improve visibility while providing more detailed user friendly information. As part of this upgrade web FIDs will also be incorporated into ADG's web site to enable remote access to FIDs information.

Property Development Strategy

Darwin International Airport is an important generator of employment and economic development. Darwin International Airport has approximately 87 hectares of undeveloped airport property, with 76 hectares of this land situated in the area bordered by Bagot Road, McMillan's Road & Charles Eaton Drive, which is high value land adjacent to that required for aviation related and ancillary support uses. The airport is well situated as the gateway to both the city of Darwin and the Northern Territory, which in turn is well situated geographically, politically and economically for dynamic opportunities in the Asia Pacific region. The development of the land will help provide a significant economic boost to the Darwin economy. ADG has identified the commercial property opportunities at Darwin International Airport to include:

- Industries that rely on good logistical support such as defence, mining and energy;
- Multinational companies that need a reputable regional base;
- High technology industries that value "just-in-time" manufacturing and supply;
- Industries that process and produce time-sensitive products;
- Air, road and other transport industries;
- Retail companies which would benefit from a central Darwin location with exposure and access; and
- Activities associated with a location next to the Marrara sporting complex.



To assist and encourage progressive and strong growth of the undeveloped land, it has been broken down into three development precincts:

1. The Bagot Road Totem Road development precinct, which includes a land area of approximately 35 hectares and borders Bagot and McMillan Roads. This precinct can be developed in isolation and will target bulky goods, retail and commercial businesses.
2. The Rapid Creek precinct, which includes an area of approximately 30 hectares and is suitable for a range of development uses including a retirement village, childcare centre and medical suites as well as retail and other commercial business uses;
3. The Airport Terminal precinct, which includes an area of approximately 22 hectares and is proposed to be developed to incorporate a resort/hotel development, a high technology park, terminal and business parking.

Discussions with a number of operators are ongoing for the development of the property precinct at Darwin International Airport including the potential for retailing mega warehouses, a resort and/or hotel development, a 24 hour petrol/supermarket facility and a retirement village with associated social infrastructure such as medical suites. Further opportunities are expected to arise and are being actively pursued.

The first non-aviation property development project completed at Darwin International Airport was the Environment Australia building, officially opened on 25th November 2002. The building houses the Office of the Supervising Scientist who is responsible for monitoring the environmental effects of mining in Kakadu and for Parks North Australia who manage Kakadu, Uluru-Kata Tjuta and Christmas Island National Parks. The project was completed on time and in budget and project managed by ADG. A promising start for future property development at the airport.

The second property development project at Darwin International Airport will be a childcare facility. Well established national operator ABC Childcare will open a purpose built childcare facility at Darwin International Airport, capable of accommodating 75 children. The facility, to be built on the corner of McMillans' Road and Charles Eaton Drive, is expected to be open for business by February 2004. Initial preference will be given to airport employees. ABC Childcare and Darwin Airport have entered into a long term lease for 25 years. Darwin Airport welcomes ABC to the airport and is pleased to establish such a long-term relationship which we believe reflects ABC's commitment to the Territory.

Rapid Creek
Photo: © David Silva

During the 2002/03 period, Airport Development Group (ADG) has continued to operate sound airport businesses consistent with its commitment to maintain and enhance our environment for all Australians past, present and future. We have complied with all relevant legislative requirements and have completed the year without any major incidents or issues.

We continue to actively participate in community forums such as the Rapid Creek Catchment Advisory Committee in Darwin and the "Friends of the Todd" River in Alice Springs. This has enabled our airports to contribute positively to land care and environmental management, in the regions in which we operate.

We have continued to work hard to build upon the relationships with our community and airport operators with the aim of improving the management of all aspects of our business including the management of environmental issues. We are confident that this program will continue to deliver improved performance in all areas of our airport businesses.

7 ENVIRONMENTAL

Landscaping works - Airside Gardens

2002/03 saw the commencement of a three year program to upgrade landscaping at Darwin International Airport. With a commitment of $300,000 over the life of the program, the main focus of works is to improve the aesthetics and amenity of the airport grounds for visitors, the public and staff alike. One of the key projects in the 2002/03 period was the refurbishment of the airside gardens at the terminal. This garden was designed to represent the beautiful Rapid Creek that runs through the airport lands and down to the ocean near by. Local indigenous artist Joey Raymond was commissioned to produce and paint a series of casts depicting the animals that call Rapid Creek their home. The result is a feature area with colour and interest that is the pride of those who work at the airport.

Other projects in this 2002/03 program included avenue planting to create a lush tropical entry and exit statement to the airport and preliminary works on a native vegetation park that was created and designed by Greening Australia NT.

Wildlife Hazard Management

ADG aims to be a leader in the field of airport wildlife hazard management. As such in the 2002/03 period we have worked towards the development of a Wildlife Hazard Management System (WHMS) to provide a framework for managing wildlife hazards to the safety of aircraft at our three airports. The WHMS applies a systems approach to the wildlife management, in advance of the impending Systems requirements of Manual of Standards Part 139, that come into effect in 2004. The development of this system is driven through the Wildlife Hazard Management Committee made up of stakeholders including airlines, the government, Air Traffic Control, the community and airport interests. This approach of proactively engaging and including stakeholders has ensured widespread support for the new system and will be the key to its success in the future.

Rehabilitation of the Rapid Creek Corridor - Tree Planting Days

At Darwin International Airport, work has continued on the rehabilitation of the Rapid Creek Corridor with two separate tree planting days. These events were used to compliment earlier revegetation works in the Yankee pool rehabilitation area to increase the width of the riparian zone damaged by fire and clearing. They are also used as an education tool to increase the awareness of airport staff and the local indigenous group, the Larrakia People, on the importance and protection of the area and to give them a sense of ownership over the area.

Aircraft Washdown project

Darwin International Airport recently installed a system of interceptors on the drainage lines from its General Aviation Aprons. The interceptors collect waste aircraft wash water from the washing of light aircraft, enabling aircraft to be washed outside of their hangars. This system uses industry leading technology to collect and process this wash water to prevent it entering the sensitive receiving waters of Rapid Creek, while a rain sensor will allow rainwater to bypass the system and flow direct to storm water. This system is designed to produce effluent quality of less than 10 parts per million oil, which is well within the limits that can be sent to sewer.

THE COMMUNITY

Airport Development Group (ADG) actively supports the communities where each of its airports are located. Given the remoteness of the Northern Territory and the vast distances between major townships, the airports are a vital link and major contributor to the Northern Territory economy and its communities. For this reason, ADG has made it a priority to encourage positive involvement with the local communities and continues to work to keep the community informed of changes on the airports.

Some of the activities we are involved in are listed below:

Rapid Creek Catchment Advisory Committee

Rapid Creek is a significant natural feature located on Darwin International Airport. It is an important part of the natural and cultural heritage of the Darwin region and its protection is paramount.

ADG continues its active participation in the Rapid Creek Catchment Advisory Committee to work with government, the community and other land holders on catchment management issues. This forum provides a valuable means of keeping contact with fellow land management bodies and promoting a cooperative approach in the management of the Rapid Creek Catchment.

Friends of the Todd River

Alice Springs Airport actively participates on the Friends of the Todd River committee and continues to assist the group to undertake land management in the Todd River through the donation of machinery for weed and fire control works. The Todd River forms the north eastern boundary of the airport making it an important conservation and land management issue for the airport.

Sporting Events

Alice Springs Airport donates the use of its line marking equipment and staff time for the line marking of Anzac Oval in the township of Alice Springs for special community events. The airport also stores equipment and portable infrastructure for the Finke Desert Race and hosts the starting area of the race. Alice Springs Airport is pleased to provide complimentary car parking to major events such as the Masters Games and Netball tournaments.

Alice Springs Airport also contributes to the Central Australian Drag Racing Association through the provision of facilities, storage space, equipment and a venue for race meets. Without this arrangement, the association would not have a track to operate from.

Alice Springs Airport also contributes to industry associations through active membership of the Central Australian Tourist Industry Association and the Northern Territory Chamber of Commerce and Industry.

Above: ADG CEO Ian Kew being presented with a lifetime membership of the CDU Foundation by Austin Asche
Above right: Funds contributed by ADG are being used to build the solar car 'Desert Rose'.

ADG Memberships

- Australian Airports Association
- Northern Territory Chamber of Commerce and Industry
- Property Council
- Tourism Top End
- Central Australian Tourism Industry Association (CATIA)
- Charles Darwin University Foundation Life Member

ADG is proud to contribute to or sponsor the following:

- Arafura Games – Bronze Medal Sponsor
- Douglas DC3 VH-MMA, a vintage aircraft built in May 1943
- Salvation Army Flying Padre Service
- Australian Red Cross
- Darwin Beer Can Regatta
- Central Australian Drag Racing Association

8

THE COMMUNITY

East Timorese Airport Staff visit Darwin

As part of a cooperation project initiated by Department of Transport and Regional Services, five staff from Presidente Nicolau Lobato Airport, Dili, East Timor visited Darwin for two days training during March.

Travel was donated by Airnorth and two passenger screeners, two perimeter security staff and an operations officer were hosted by Darwin International Airport and Group 4 security.

Screeners Joaquina and Juliao spent most of their time with Group 4 at the Screening Point and went on an airside tour. Security Officers Francisco and Duarte accompanied Australian Protective Service Officers on patrols and Carmo stayed with DIA Safety Officers. The Royal Australian Air Force also provided them with a briefing on security police, physical security and patrol duties and a working dog display.

Aboriginal and Cultural Heritage

ADG is committed to the conservation of items of cultural and heritage significance and the active development of relationships with the local indigenous community and interest groups.

Larrakia people

Further development of the relationship with the Larrakia Nation, made up of traditional owners of the Darwin area is providing an exciting opportunity to achieve our environmental objectives in the Rapid Creek corridor while providing training and employment opportunities to the Larrakia people. The airport is working closely with the Larrakia Nation to rehabilitate areas of the Rapid Creek Corridor while providing Larrakia People with the opportunity to progress their training towards the completion of Horticulture Certificates.

In line with the importance of the relationship between the Larrakia Nation and the airport, the Larrakia Nation moved their office and much of their operations onto the airport grounds.

It is envisaged that over time, the Larrakia Nation will establish a cultural and craft centre for visitors as well as ecotourism and indigenous education tours along the Rapid Creek Corridor. The airport is optimistic about this relationship and can see the potential for additional opportunities to further nurture and develop this partnership in the future.

Seven Mile Aerodrome:

The Seven Mile Aerodrome precinct at Alice Springs Airport reflects both military and civilian history during the early war years and post war era. The facility was a staging point in the early 1940s for the build up of aerial forces to assist the war effort in the Netherlands East Indies. It was a RAAF base from 1942 to 1946 and then became a civilian airport precinct until the new current site was developed. Surveys have been conducted of the Seven Mile Buildings by the airports heritage consultant and plans have been drafted of the buildings of heritage significance. Recommendations are now being developed for the necessary repairs and restoration of the buildings and creation of a heritage precinct. Historical records are being compiled from the official documents from the area and anecdotal interviews from long term residents.

ADG and its subsidiaries employ a total of 51 people including casual and part-time employees. DIA employs 36 people; ASA employs 13 people and TCA 2 people.

9 CORPORATE

Directors

Mitchell King, Chairman

Mr King was appointed as chairman of ADG in July 2000. He is currently the Associate Director Infrastructure Investments for Hastings Funds Management and is the Chief Operating Officer of Hastings' listed fund Australian Infrastructure Fund (AIF). Other directorships include Australia Pacific Airports Corporation, Infratil Australia Limited, Interlink Roads Pty Ltd, Medallion Club Pty Ltd, Port of Portland Pty Limited, Stadium Operations Limited, Statewest Power Pty Limited and an alternate director of Statewide Roads Limited.

Chris Wade, Director

Mr Wade is a director of Airport Development Group Pty Limited, Metro Transport Sydney Pty Limited, ElectraNet Pty Limited, and Transcore Australia Pty Ltd. Mr Wade is an executive with Hastings Funds Management.

Michael Rodriguez, Director

Mr Rodriguez is a director of Airport Development Group Pty Limited. He is also a director of Horizon Energy Investment Group and an alternate director to Adelaide Airport Ltd. Mr Rodriguez heads Laing Investments' Asia Pacific regional office in Sydney.

Peter Jones, Director

Mr Jones is a director of Airport Development Group Pty Limited and Societa Gestione Servizi Aeroporti Campani (the operating company for Naples airport, Italy). Mr Jones is BAA plc's Director of Corporate Finance and BAA International's Finance Director. He is a director of a number of BAA group companies, including BAA International Limited, BAA USA Holdings Inc, BAA Boston Inc and BAA Pittsburgh Inc. He is involved in new business opportunities for BAA International, in Australia, Europe, the middle east, and the United States. Within BAA's UK business, Mr Jones has managed the capital development programme for BAA's airports, together with the development of projects such as the Heathrow Express rail link. Mr Jones is the Chairman of the ADG Risk and Audit Committee.

Dominic Helmsley, Alternate Director to Peter Jones

Mr Helmsley is the Business Development Director for BAA International. He joined the BAA International in 1996 and has worked throughout Asia, United States, Latin America and the Middle East pursuing potential opportunities for BAA. He has also been closely involved in the development and review of BAA's international strategy as it has evolved over the last two years. He led a successful bid in Oman Airport and is currently following up several other opportunities around the world.

Management Structure

The following management structure applies to the Group:

Area	Executive	Title
	Ian Kew	*Chief Executive Officer*
Aviation Development	**Peter Roberts**	*Aviation Development Director*
Commercial	**Brett Reiss**	*General Manager Revenue*
Technical	**Viv Rees**	*Technical Asset Manager*
Finance	**Tom Ganley**	*General Manager Finance and Company Secretary*
Environmental	**Merrilyn Barnes**	*Environmental Coordinator*
Operations	**Andrew Liepa**	*General Manager Operations*
	Robert Calaby	*Operations Manager*
Customer Service	**Pam Finnigan**	*Customer Service Manager*
Alice Springs	**Don McDonald**	*General Manager Alice Springs Airport and Tennant Creek Airport*

AIRPORT DEVELOPMENT GROUP FINANCIAL REPORT 2003

CONTENTS

DIRECTORS REPORT

Your directors submit their report for the year ended 30 June 2003.

Directors

The names of the directors of the company in office during the financial period and until the date of this report are shown in note 23.

Principal Activities

The principal activity of the Airport Development Group Pty Ltd (ADGPL) was that of a holding company.

Operating Results

The consolidated entity sustained an after tax loss of $7,231,659 for the reporting period ended 30 June 2003. This compares with the 2001/2002 after tax loss of $2,729,217. Consolidated revenue increased from $21,327,110 to $25,813 287 whilst total consolidated expenses including depreciation, borrowing costs and income tax, increased from $24,064,989 to $33,044,946 on account of one off charges. The extinguishment of the Technical Services Agreement with Port of Portland Holdings Pty Ltd resulted in a one-off charge of $5,000,000. The extinguishment of this facility was a requirement of the refinance and also to enter into new arrangements with BAA International Limited. As part of the refinance a premium was payable in order to buyback and extinguish the junior bonds. This premium resulted in a one off charge of $888,334.

Dividends

ADGPL has paid unfranked dividends of $4,927,295 in the year. (2002: $1,435,577)

Significant Changes in the State of Affairs

No significant change in the nature of the company's activities occurred during the year.

Matters Subsequent to the End of the Financial Year

There have been no events, which have risen since the end of the financial year, which have significantly affected or may significantly affect-

(i) the operations of the consolidated entity and parent company;
(ii) the results of those operations; or
(iii) the state of affairs of the consolidated entity and parent company in subsequent financial years.

Likely Developments and Expected Results of Operations

Information on likely developments in the operations of the company and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the company.

Environment Regulation

The entity operates under the Airport (Environmental Protection) Regulations that form part of the ***Airports Act 1996***. Other Commonwealth and Northern Territory legislation applies where regulation under the ***Airports Act 1996*** has not been prescribed. ***The Air Navigation Act 1920*** also applies to the entity, particularly in respect of noise.

There have been no significant breaches of the applicable legislation.

Risk and Audit Committee

The board is responsible for the overall governance of the company including setting the company's strategic direction, establishing goals for management and monitoring the achievement of those goals. Directors are

accountable to the shareholders for the company's performance. To assist in the execution of its corporate governance responsibilities, the board has in place a Risk and Audit Committee (RAAC). This committee currently consists of three directors, the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO). The RAAC meets a minimum of four times per year and operates under a charter approved by the board.

Directors and Auditors Indemnification

The company has not, during or since the financial year, in respect of any person who is or has been an officer or auditor of the company or a related body corporate:

- Indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer, including costs and expenses in successfully defending legal proceedings, or
- Paid or agreed to pay a premium in respect of a contract insuring against a liability incurred as an officer for the costs or expenses to defend legal proceedings, except for a premium paid to AON Corporate Risk Services (covering Alice Springs, Darwin and Tennant Creek Airports) paid to insure directors and officers for any loss which is not indemnified by ADGPL and for which the person becomes obligated to pay on account for claims made for wrongful acts committed, attempted or allegedly committed during the period of insurance. Directors covered under this insurance policy are outlined in note 23 to the financial statements.

Directors Benefits and Emoluments

No director has received or become entitled to receive, during or since the financial year, a benefit because of a contract made by the parent entity or a related body corporate with a director, a firm of which a director is a member or an entity in which a director has a substantial financial interest.

No remuneration has been paid or is payable to any director of the company.

Share Options

No options to shares in ADGPL have been granted during the financial year and there were no options outstanding at the end of the financial year.

Corporate Structure

ADGPL is a company limited by shares that is incorporated and domiciled in Australia. The registered office is 1 Fenton Court Marrara NT 0812. The entities that it had one hundred percent ownership of during the financial year are Northern Territory Airports Pty Ltd and Tennant Creek Airport Pty Ltd.

Employees

Airport Development Group Pty Ltd employed 51 employees as at 30 June 2003.
(2002: 44 employees)

This report is made in accordance with a resolution of the directors.

Director
Alice Springs, Northern Territory
Date: 30 October 2003

Director

2 STATEMENT OF FINANCIAL PERFORMANCE

For the financial year ended 30 June 2003

	Note	CONSOLIDATED 2003 ($)	CONSOLIDATED 2002 ($)	COMPANY 2003 ($)	COMPANY 2002 ($)
Revenues from ordinary activities	2(b)	**25,813,287**	21,327,110	**11,953,726**	10,587,582
Depreciation and amortisation expense		**6,187,931**	5,958,060	**0**	0
Borrowing costs		**6,796,506**	5,400,333	**0**	0
Salaries and employee benefits		**4,381,587**	3,352,806	**0**	0
Maintenance expense		**1,423,674**	990,376	**0**	0
Security and passenger screening charges		**3,289,596**	3,842,979	**0**	0
Technical Services Agreement expense		**1,378,155**	813,036	**0**	0
Services and utilities expense		**1,887,369**	1,663,526	**0**	0
Other expense from ordinary activities		**2,702,458**	2,043,873	**0**	0
Technical Services Agreement extinguishment	2(c)	**5,000,000**	0	**0**	0
(Loss)/profit from ordinary activities before income tax expense		**(7,233,989)**	(2,737,879)	**11,953,726**	10,587,582
Income tax benefit relating to ordinary activities	3	(2,330)	(8,662)	0	0
Operating (loss)/profit from ordinary activities after related income tax	18	**(7,231,659)**	(2,729,217)	**11,953,726**	10,587,582
Total changes in equity other than those arising from transactions with owners as owners		**(7,231,659)**	(2,729,217)	**11,953,726**	10,587,582

3 STATEMENT OF FINANCIAL POSITION

As at 30 June 2003

	Note	CONSOLIDATED 2003 ($)	CONSOLIDATED 2002 ($)	COMPANY 2003 ($)	COMPANY 2002 ($)
CURRENT ASSETS					
Cash	4	**5,232,712**	5,595,626	**0**	91
Receivables	5	**3,527,114**	3,174,049	**0**	0
Other	6	**73,493**	74,839	**0**	0
Total Current Assets		**8,833,319**	8,844,514	**0**	91
NON-CURRENT ASSETS					
Receivables	7	**0**	0	**97,217,462**	90,776,282
Investments	8	**0**	0	**24**	24
Infrastructure, plant and equipment	9	**75,736,161**	79,299,464	**0**	0
Intangibles	10	**15,820,722**	15,989,176	**0**	0
Deferred expenditure	11	**14,570,018**	13,619,065	**0**	0
Total Non-Current Assets		**106,126,901**	108,907,705	**97,217,486**	90,776,306
TOTAL ASSETS		**114,960,220**	117,752,219	**97,217,486**	90,776,397
CURRENT LIABILITIES					
Payables	12	**3,471,544**	3,414,882	**71,696**	6,128
Interest bearing liabilities	13	**1,549,260**	63,904,411	**0**	0
Provisions	14	**1,033,583**	1,623,484	**0**	650,910
Total Current Liabilities		**6,054,387**	68,942,777	**71,696**	657,038
NON-CURRENT LIABILITIES					
Interest bearing liabilities	15	**82,700,000**	10,462,468	**0**	0
Provisions	16	**88,460**	70,647	**0**	0
Total Non Current Liabilities		**82,788,460**	10,533,115	**0**	0
TOTAL LIABILITIES		**88,842,847**	79,475,892	**71,696**	657,038
NET ASSETS		**26,117,373**	38,276,327	**97,145,790**	90,119,359
EQUITY					
Contributed equity	17	**60,765,344**	60,765,344	**60,765,344**	60,765,344
Retained (losses)/profits	18	**(34,647,971)**	(22,489,017)	**36,380,446**	29,354,015
TOTAL EQUITY		**26,117,373**	38,276,327	**97,145,790**	90,119,359

STATEMENT OF CASH FLOWS

For the financial year ended 30 June 2003

		CONSOLIDATED		COMPANY	
	Note	2003 ($)	2002 ($)	2003 ($)	2002 ($)
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers		**28,002,462**	23,111,261	**0**	0
Payments to suppliers and employees		**(22,354,530)**	(14,840,682)	**0**	0
Interest received		**211,137**	121,882	**11,953,726**	10,587,582
Borrowing costs		**(8,316,813)**	(4,404,873)	**0**	0
Goods and Services Tax paid		**(206,809)**	(411,047)	**0**	0
Net cash flows from operating activities	24	**(2,664,553)**	3,576,541	**11,953,726**	10,587,582
CASH FLOWS FROM INVESTING ACTIVITIES					
Acquisition of property, plant and equipment		**(2,068,083)**	(4,183,300)	**0**	0
Proceeds from sale of plant and equipment		**0**	47,385	**0**	0
Advances to related parties		**0**	0	**(6,441,182)**	(9,327,215)
Net cash flows used in investing activities		**(2,068,083)**	(4,135,915)	**(6,441,182)**	(9,327,215)
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from borrowings		**83,600,000**	2,200,000	**0**	0
Repayment of borrowings		**(74,047,492)**	0	**0**	
Dividends paid		**(5,512,635)**	(1,815,801)	**(5,512,635)**	(1,815,801)
Net cash flows from financing activities		**4,039,873**	384,199	**(5,512,635)**	(1,815,801)
NET DECREASE IN CASH HELD		**(692,763)**	(175,175)	**(91)**	(555,434)
CASH AT BEGINNING OF THE FINANCIAL YEAR		**4,376,215**	4,551,390	**91**	555,525
CASH AT END OF THE FINANCIAL YEAR	24	**3,683,452**	4,376,215	**0**	91

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

The financial report has been prepared in accordance with the historical cost convention.

The financial report is a general financial report, which has been prepared in accordance with the requirements of the ***Corporations Act 2001***, which includes applicable Accounting Standards. Other mandatory professional reporting requirements (Urgent Issues Group Consensus Views) have also been complied with.

(a) Changes in accounting policies

The consolidated entity has adopted the revised Accounting Standard AASB1028 "Employee Benefits", which has resulted in a change in the accounting policy for the measurement of employee benefit liabilities. In accordance with the revised Standard, the provision for employee benefits is now measured based on remuneration rates expected to be paid when the liability is settled. There has been no material effect on the financial statements of adoption of the revised Standard.

All other accounting policies are consistent with those of the prior year.

(b) Income Tax

The consolidated entity adopts the liability method of tax-effect accounting whereby the income tax expense shown in the statement of financial performance is based on the operating profit before income tax adjusted for any permanent differences.

The future income tax benefit relating to tax losses is not carried forward as an asset unless the benefit is virtually certain of realisation.

Income tax on cumulative timing differences is set aside to the deferred income tax or the future income tax benefit accounts at the rates which are expected to apply when those timing differences reverse.

(c) Foreign Currency Translation

Transactions

Foreign currency transactions are initially translated into Australian currency at the rate of exchange at the date of the transaction. At balance date, amounts payable and receivable in foreign currencies are translated to Australian currency at rates of exchange current at that date. Resulting exchange differences are brought to account in determining the profit and loss for the year.

(d) Revenue Recognition

Revenue is recognised when it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured.

Aeronautical Charges

Comprise:

- Passenger based charges for scheduled regular public transport (rpt) passenger services.
- Landing based charges for unscheduled, general aviation or non passenger services.
- Passenger based charges for the use of terminal facilities.
- Safety and security charge levied on a per passenger basis in respect of government mandated security charges where one hundred percent cost recovery applies.

Trading Income

Comprises concessionaire rent, overages and other charges received including income from public car parks.

Property:

Comprises income from company owned terminals, buildings and other leased areas.

(e) Receivables

Trade receivables are recognised and carried at original invoice amount.

Recoverability of trade debtors is reviewed on an ongoing basis. Debts, which are known to be unrecoverable, are written off. A general provision for doubtful debts is raised together with a specific provision for debts where recoverability is deemed to be doubtful.

Receivables from related parties are recognised and carried at the nominal amount due. Interest is taken up as income on an accrual basis.

(f) Acquisition of Assets

The cost method of accounting is used for all acquisition of assets regardless of whether shares or other assets are acquired. Cost is determined as the fair value of the assets given up at the date of acquisition plus costs incidental to the acquisition. Where shares are issued on acquisition, the value of the shares is determined by reference to the fair value of the assets acquired, including goodwill and other intangible assets where applicable.

(g) Recoverable Amounts

The recoverable amount of an asset is the net amount expected to be recovered through the net cash inflow arising from its continued use and subsequent disposal.

Where the carrying amount of a non-current asset is greater than its recoverable amount, the asset is written down to its recoverable amount. The decrement in the carrying amount is recognised as an expense in the reporting period in which the recoverable amount written down occurs.

The expected net cash flows included in determining recoverable amounts of non-current assets are not discounted to their present values using a market determined, risk-adjusted discount rate.

(h) Infrastructure Assets and Plant and Equipment

(i) Cost and Valuation

The cost base assigned to infrastructure assets and plant and equipment is set out in note 9.

(ii) Depreciation and Amortisation

Infrastructure, plant and equipment (including infrastructure assets under lease) have been depreciated using the straight-line method based upon the estimated useful life of the assets to ADGPL.

Depreciation and amortisation rates used are as follows:

	2003	**2002**
Runways Taxiways & Aprons	4.3%	4.3%
Roads & Car parks	8.7%	8.7%
Fences & Gates	12.0%	12.0%
Lighting & Visual Aids	10.0%	10.0%
Passenger Terminal	4.0% - 10.0%	4.0% - 10.0%
Buildings	4.0% - 10.0%	4.0% - 10.0%
Plant & Equipment	10.0% - 20.0%	10.0% - 20.0%
Vehicles	15.0% - 18.0%	15.0% - 18.0%
Computer Equipment	33.3%	33.3%

(iii) Leasehold Improvements

Leasehold improvements have been amortised over the shorter of the unexpired period of the lease and estimated useful life of the improvements.

(i) Trade and Other Creditors

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(j) Borrowing Costs

Borrowing costs are recognised as expenses in the period in which they are incurred. Borrowing costs include:

- interest on bank overdraft and loans
- senior and junior debt agents fees (including premium)
- ancillary costs incurred in connection with the ongoing conduct of borrowings.

The entity refinanced its debt facilities on 6 June 2003 and the borrowing costs incurred in acquiring the new bank loan have been capitalised and amortised over the period of the loan.

(k) Maintenance and Repairs

Maintenance, repair costs and minor renewals, are charged as expenses as incurred.

(l) Employee Benefits

Provision is made for employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries, annual leave, and long service leave.

Liabilities arising in respect of wages and salaries, annual leave, and any other employee benefits expected to be settled within twelve months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled. All other employee benefit liabilities are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date. In determining the present value of future cash outflows, the market yield as at the reporting date on national government bonds, which have terms to maturity approximating the terms of the related liability, are used.

Employee benefit expenses and revenues arising in respect of the following categories:

- wages and salaries, non-monetary benefits, annual leave, long service leave, and other leave benefits: and
- other types of employee benefits

are recognised against profits on a net basis in their respective categories.

In respect of the entity's defined benefits superannuation plan, any contributions made to the superannuation funds have been recognised against profits when due. The entity ceased contributing to the defined benefit superannuation plan on 28 February 2003.

(m) Cash

For the purposes of the statement of cash flows, cash includes deposits at call which are readily convertible to cash on hand and are subject to an insignificant risk of change in value, net of outstanding bank overdrafts.

(n) Intangibles

Lease franchise fee

The franchise fee paid on the acquisition of the airport leases from the Federal Government, which represents the difference between the purchase price and the fair value attributed to the net tangible assets at date of acquisition. This lease franchise fee is being amortised on a straight line basis over the 99 year life of the lease.

(o) Deferred Expenditure

Bid costs

The direct costs incurred in the purchase of the airport leases have been capitalised and are being amortised over the 99 year life of the lease.

Finance costs

The fees incurred in the underwriting of the senior and junior debt were capitalised and are being amortised over 5 years. The fees incurred in the refinance of the senior and junior debt on 6 June 2003 have been capitalised and will be amortised over 5 years.

The balances of deferred expenditure are reviewed annually and any balance representing future benefits – the realisation of which is considered to be no longer probable – are written off.

(p) Principles of Consolidation

The consolidated entity comprises the financial report of Airport Development Group Pty Ltd and of its controlled entities.

A controlled entity is any entity controlled by Airport Development Group Pty Ltd. Control exists where Airport Development Group Pty Ltd has the capacity to dominate the decision making in relation to the financial and operating policies of another entity.

All inter-company balances and transactions between entities in the consolidated entity, including any unrealised profits or losses, have been eliminated on consolidation.

(q) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amounts of goods and services tax, except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

(r) Derivative Financial Instruments

The consolidated entity has entered into interest rate swap agreements. These derivative financial instruments are not recognised in the financial statements on inception. The net amount receivable or payable under interest rate swap agreements is brought to account when due and payable under the terms of each contract. The amount recognised is accounted for as an adjustment to interest expense during the period.

Note 2. Profit/(loss) from ordinary activities

	CONSOLIDATED		COMPANY	
	2003 ($)	2002 ($)	**2003 ($)**	2002 ($)
(A) EXPENSES AND LOSSES / (GAINS)				
Interest	**5,814,616**	5,320,900	**0**	0
Junior debt premium	**888,334**	0	**0**	0
Other borrowing expenses	**93,556**	79,433	**0**	0
Total borrowing costs	**6,796,506**	5,400,333	**0**	0
Depreciation				
- Plant and equipment	**610,940**	556,051	**0**	0
- Infrastructure assets	**5,020,446**	4,833,903	**0**	0
	5,631,386	5,399,954	**0**	0
Amortisation				
- Lease franchise fee	**168,454**	168,454	**0**	0
- Capitalised bid costs	**140,899**	140,899	**0**	0
- Capitalised finance costs	**247,192**	248,754	**0**	0
	556,545	558,107	**0**	0
Provision for doubtful debts	**190,500**	263,916	**0**	0
Other provisions				
- Employee benefits	**129,172**	22,425	0	0
Superannuation contribution – defined benefit fund	**621,124**	330,197	**0**	0
Profit on disposal of plant and equipment	**0**	(14,734)	**0**	0
Security and passenger screening charges	**3,289,596**	3,842,979	**0**	0
(B) REVENUE FROM ORDINARY ACTIVITIES				
Rendering of Services				
- Aeronautical Charges	**13,384,678**	7,862,608	**0**	0
- Trading income	**4,533,729**	4,261,240	**0**	0
- Property	**3,821,480**	4,651,411	**0**	0
- Other	**3,862,263**	4,364,008	**0**	0
Total Operating Revenues	**25,602,150**	21,139,267	**0**	0
Revenues from Non-Operating Activities				
Other	**0**	18,576	**0**	0
Interest	**211,137**	121,882	**11,953,726**	10,587,582
Proceeds on sale of non current assets	**0**	47,385	**0**	0
Total Revenues from Ordinary Activities	**25,813,287**	21,327,110	**11,953,726**	10,587,582

	CONSOLIDATED 2003 ($)	2002 ($)	COMPANY 2003 ($)	2002 ($)

Note 2. Profit/(loss) from ordinary activities (continued)

(C) SPECIFIC ITEMS

Operating (loss)/profit from ordinary activities before income tax expense includes the following specific item whose disclosure is relevant in explaining the financial performance of the consolidated entity:

	CONSOLIDATED 2003 ($)	2002 ($)	COMPANY 2003 ($)	2002 ($)
Technical Services Agreement extinguishment	**5,000,000**	0	**0**	0

Costs were incurred during the period in respect of the settlement of the agreement between DIAPL, ASAPL, TCAPL and Port of Portland Holdings Pty Ltd (POPH). This cost is reflected in the "Payments to suppliers and employees" in the Statement of Cash Flows.

Note 3. Income Tax

The prima facie tax on operating (loss)/profit after ordinary activities differs from the income tax provided in the financial statements as follows:

	CONSOLIDATED 2003 ($)	2002 ($)	COMPANY 2003 ($)	2002 ($)
Prima facie tax on operating (loss)/profit	**(2,170,197)**	(821,365)	**3,586,118**	3,176,275
Tax effect of permanent differences		0	**0**	
Amortisation of intangible assets	**92,806**	92,806	**0**	0
Transfer of tax losses to controlled entities	**0**	0	**(3,586,118)**	(3,176,275)
Other items (net)	**(6,081)**	35,329	**0**	0
	(2,083,472)	(693,230)	**0**	0
Income tax benefit not brought to account	**2,081,141**	692,714	**0**	0
Income tax attributable to ordinary activities	**(2,330)**	(516)	**0**	0
Under/(over) provision of previous year	**0**	(8,146)	**0**	0
Income tax expense/(benefit)	**(2,330)**	(8,662)	**0**	0

Tax losses were transferred in for nil consideration. (2003: $11,953,726 2002 : $3,176,275)

	CONSOLIDATED 2003 ($)	2002 ($)	COMPANY 2003 ($)	2002 ($)
The Directors estimate that the potential future income tax benefit at balance date in respect of tax losses not brought to account is:	**2,534,925**	2,450,606	**0**	0

This benefit for tax losses will only be obtained if:
(i) future assessable income is derived of a nature and of an amount sufficient to enable the benefit to be realised;
(ii) the conditions for deductibility imposed by tax legislation continues to be complied with;
(iii) no changes in tax legislation adversely affect the company in realising the benefit

Tax consolidation

For the purpose of income tax, ADGPL and its 100% owned subsidiaries intend to form a tax consolidated group. The head entity of the tax consolidated group will be Airport Development Group Pty Ltd (ADGPL). At the date of signing the financial report, ADGPL has not determined the date of entry into tax consolidation because this decision will be based upon the most favourable outcome in terms of the transitional rules in the tax consolidation legislation. The date of entry will be determined at the time of lodging the tax return.

Note 4. Cash

	CONSOLIDATED 2003 ($)	2002 ($)	COMPANY 2003 ($)	2002 ($)
Cash balance comprises:				
- Cash on hand	**15,536**	15,086	**0**	0
- Cash at bank	**5,217,176**	5,580,540	**0**	91
Closing cash balance	**5,232,712**	5,595,626	**0**	91

Note 5. Receivables (Current)

	CONSOLIDATED 2003 ($)	2002 ($)	COMPANY 2003 ($)	2002 ($)
Trade debtors	**4,273,903**	3,730,338	**0**	0
Less: Provision for doubtful debts	**(746,789)**	(556,289)	**0**	0
	3,527,114	3,174,049	**0**	0

Note 6. Other Assets (Current)

	CONSOLIDATED 2003 ($)	2002 ($)	COMPANY 2003 ($)	2002 ($)
Prepayments	**61,272**	64,948	**0**	0
Future income tax benefits	**12,221**	9,891	**0**	0
	73,493	74,839	**0**	0

Note 7. Receivables (Non-current)

	CONSOLIDATED 2003 ($)	2002 ($)	COMPANY 2003 ($)	2002 ($)
From related parties	**0**	0	**97,217,462**	90,776,282

Note 8. Investments

	CONSOLIDATED 2003 ($)	2002 ($)	COMPANY 2003 ($)	2002 ($)
Shares in subsidiary companies at cost price	**0**	0	**24**	24

Note 9. Infrastructure, Plant and Equipment

	CONSOLIDATED 2003 ($)	2002 ($)	COMPANY 2003 ($)	2002 ($)
Plant and Equipment				
Plant and equipment – at cost	**4,753,952**	4,176,879	**0**	0
Provision for depreciation	**(2,608,530)**	(1,997,592)	**0**	0
Total Plant and Equipment	**2,145,422**	2,179,287	**0**	0
Infrastructure Assets				
Infrastructure assets under lease – at cost	**96,948,144**	92,242,232	**0**	0
Provision for depreciation	**(23,977,886)**	(18,957,439)	**0**	0
Total Infrastructure Assets	**72,970,258**	73,284,793	**0**	0
Work in progress	**620,481**	3,835,384	**0**	0
Total Infrastructure, Plant and Equipment	**75,736,161**	79,299,464	**0**	0

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	CONSOLIDATED 2003 ($)	2002 ($)	COMPANY 2003 ($)	2002 ($)
(a) Assets pledged as security				
The bank has a fixed and floating charge over all present and future assets and undertakings of the company. The value of assets pledged as securities are:	**75,736,161**	79,299,464	**0**	0

(b) Valuations

RJ Gardiner CPV in accordance with the Asset Valuation Handbook revalued land and building assets at 30 June 2001. The valuations were split between aeronautical assets and non-aeronautical assets and based on the depreciated optimized replacement cost (DORC). A revaluation adjustment has not been recorded in the financial statements. The valuation of land and buildings as at 30 June 2001 was $118.75M compared to a written down value of $49.60M as at the reporting date.

Opus International Consulting revalued the civil assets as at 31 December 2002. Civil assets include runways, taxiways, aprons, roads, car parks, services, lighting, fences and gates. The valuation was based on the depreciated optimized replacement cost (DORC). The DORC valuation of civil assets as at 31 December 2002 was $47.98M compared to a written down value of $23.35M as at the reporting date. A revaluation adjustment has not been recorded in the financial statements.

(c) Reconciliations

	CONSOLIDATED 2003 ($)	2002 ($)	COMPANY 2003 ($)	2002 ($)
PLANT & EQUIPMENT				
Carrying amount at the beginning	**2,179,288**	2,313,933	**0**	0
Additions	**577,074**	207,516	**0**	0
Transfer from work in progress	**0**	256,540	**0**	0
Disposals	**0**	(32,651)	**0**	0
Depreciation	**(610,940)**	(566,050)	**0**	0
Closing carrying amount	**2,145,422**	2,179,288	**0**	0
INFRASTRUCTURE ASSETS				
Carrying amount at the beginning	**73,284,792**	77,746,570	**0**	0
Additions	**870,528**	293,721	**0**	0
Transfer from work in progress	**3,835,384**	78,404	**0**	0
Depreciation	**(5,020,446)**	(4,833,903)	**0**	0
Closing carrying amount	**72,970,258**	73,284,792	**0**	0
WORK IN PROGRESS				
Carrying amount at the beginning	**3,835,384**	488,265	**0**	0
Plant and equipment additions	**115,388**	0	**0**	0
Infrastructure additions	**505,093**	3,682,063	**0**	0
Transfers to plant and equipment	**0**	(256,540)	**0**	0
Transfers to infrastructure	**(3,835,384)**	(78,404)	**0**	0
Carrying amount at the end	**620,481**	3,835,384	**0**	0

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	CONSOLIDATED 2003 ($)	2002 ($)	COMPANY 2003 ($)	2002 ($)
Note 10. Intangibles				
Lease franchise fee	**16,676,910**	16,676,910	**0**	0
Provision for amortisation	**(856,188)**	(687,734)	**0**	0
	15,820,722	15,989,176	**0**	0
Note 11. Deferred Expenditure				
Capitalised bid costs	**13,963,732**	13,963,732	**0**	0
Provision for amortisation	**(715,148)**	(574,249)	**0**	0
	13,248,584	13,389,483	**0**	0
Capitalised finance costs	**1,339,043**	1,243,775	**0**	0
Provision for amortisation	**(17,609)**	(1,014,193)	**0**	0
	1,321,434	229,582	**0**	0
Total net deferred expenditure	**14,570,018**	13,619,065	**0**	0
Note 12. Payables (Current)				
Trade creditors	**10**	207,071	**0**	0
Other creditors	**3,471,534**	3,207,811	**65,570**	0
Amounts payable to wholly owned group	**0**	0	**6,128**	6,128
	3,471,544	3,414,882	**71,698**	6,128
Note 13. Interest-Bearing Liabilities (Current)				
Borrowings secured by fixed charge				
- Bank Overdrafts	**1,549,260**	1,219,411	**0**	0
- Senior Debt	**0**	62,685,000	**0**	0
	1,549,260	63,904,411	**0**	0

The consolidated entity has access to a bank overdraft facility amounting to $1,000,000 (2002: $2,000,000) as part of the senior debt facility held in the name of Northern Territory Airports Pty Ltd. The bank has a fixed and floating charge over all present and future assets and undertakings.

	CONSOLIDATED 2003 ($)	2002 ($)	COMPANY 2003 ($)	2002 ($)
Note 14. Provisions (Current)				
Employee Benefits				
- Annual Leave	**403,314**	328,698	**0**	0
- Long Service Leave	**393,357**	356,615	**0**	0
Retentions and deposits held	**100,482**	69,781	**0**	0
Payments received in advance	**109,701**	208,301	**0**	0
Provisions for dividend	**0**	650,910	**0**	650,910
Other provisions	**26,729**	9,179	**0**	0
	1,033,583	1,623,484	**0**	650,910

	CONSOLIDATED 2003 ($)	2002 ($)	COMPANY 2003 ($)	2002 ($)

Note 15. Interest - Bearing Liabilities (Non-current)

	CONSOLIDATED 2003 ($)	2002 ($)	COMPANY 2003 ($)	2002 ($)
Borrowings secured by fixed charge:				
- Senior debt	**82,700,000**	0	**0**	0
- Junior debt	**0**	10,462,468	**0**	0
	82,700,000	10,462,468	**0**	0

The senior debt is secured by a fixed and floating charge over the company's present and future assets.

Note 16. Provisions (Non-current)

	CONSOLIDATED 2003 ($)	2002 ($)	COMPANY 2003 ($)	2002 ($)
Long Service leave	**88,460**	70,647	**0**	0

Note 17. Contributed Equity

	CONSOLIDATED 2003 ($)	2002 ($)	COMPANY 2003 ($)	2002 ($)
Paid up capital 40,765,344 ordinary shares of $1 each fully paid and issued on incorporation. (2002: $40,765,344)	**40,765,344**	40,765,344	**40,765,344**	40,765,344
2,000 redeemable preference shares of $10,000 each fully paid on incorporation. These comprise of a par value of $1 and a premium of $9,999 (2002: 2,000)	**20,000,000**	20,000,000	**20,000,000**	20,000,000
Total paid up capital	**60,765,344**	60,765,344	**60,765,344**	60,765,344

Note 18. Retained (Losses)/Profits

	CONSOLIDATED 2003 ($)	2002 ($)	COMPANY 2003 ($)	2002 ($)
Balance at the beginning of year	**(22,489,017)**	(18,324,223)	**29,354,015**	20,202,008
Operating (loss)/profit from ordinary activities after income tax.	**(7,231,659)**	(2,729,217)	**11,953,726**	10,587,582
Total available for appropriation	**(29,720,676)**	(21,053,440)	**41,307,741**	30,789,590
Dividends provided for or paid	**4,927,295**	1,435,577	**4,927,295**	1,435,575
Balance at end of year	**(34,647,971)**	(22,489,017)	**36,380,446**	29,354,015

Note 19. Remuneration of Directors

	CONSOLIDATED 2003 ($)	2002 ($)	COMPANY 2003 ($)	2002 ($)
Income paid or payable, or otherwise made available, in respect of the financial year, to all directors of each entity in the consolidated entity, directly or indirectly, by the entities of which they are directors or any related party.	**0**	0	**0**	0

Note 20. Remuneration of Auditors

	CONSOLIDATED 2003 ($)	2002 ($)	COMPANY 2003 ($)	2002 ($)
Remuneration of the auditors of the company for:				
Audit and review of financial statements	**5,204**	27,615	**0**	0
Other services	**96,212**	69,013	**0**	0
	101,416	96,628	**0**	0

Note 21. Capital Commitments

	CONSOLIDATED 2003 ($)	2002 ($)	COMPANY 2003 ($)	2002 ($)
Commitments for the acquisition of plant and equipment contracted for at the reporting date but not recognised as liabilities, payable:				
Not later than one year	**1,840,000**	1,068,000	**0**	0

Note 22. Employee Entitlements

	CONSOLIDATED 2003 ($)	2002 ($)	COMPANY 2003 ($)	2002 ($)
The aggregate employee benefit liability is comprised of:				
Accrued wages, salaries and on-costs	**347,713**	176,161	**0**	0
Provisions (current) – note 14	**796,671**	685,313	**0**	0
Provisions (non-current) – note 16	**88,460**	70,647	**0**	0
Leave benefits and accrued wages	**1,232,844**	932,121	**0**	0

Superannuation commitments

During the reporting period the Airports Australia Super Fund, of which ADGPL was a participating employer, was wound up. Final contributions to the fund on winding up were paid during the financial year.

ADGPL undertook to contribute to the Australian Retirement Fund in respect of all its employees from 1 March 2003. The Australian Retirement Fund is a complying fund under the Commonwealth superannuation law. It is an accumulation fund and contributions by ADGPL satisfy the entity's superannuation guarantee obligation for its employees.

Note 23. Related Parties

Directors

The directors of ADGPL during the financial year were:

Name	Appointed	Resigned
Mr Brett John Lazarides	4 May 2000	2 July 2002
Mr Peter Taylor	19 July 2000	21 February 2003
Mr Mitchell Sloey King (Chairman)	19 July 2000	
Mr Peter Joseph Jones	14 May 2001	
Mr Dominic James Helmsley (alternate director for Mr Peter Joseph Jones)	14 August 2001	
Mr Michael Rodriguez	30 June 2001	
Mr Christopher Robert Wade	21 February 2003	

Remuneration

Remuneration Information on remuneration of directors is disclosed in note 19.

	CONSOLIDATED 2003 ($)	2002 ($)	COMPANY 2003 ($)	2002 ($)
Wholly-owned Group				
The operating profit before income tax included the following amounts relating to transactions with related parties in the wholly owned group.				
Interest received and receivable	**0**	0	**11,953,726**	10,578,520
Aggregate amounts receivable	**0**	0	**97,217,462**	90,776,282
BAA International Limited				
DIAPL, ASAPL and TCAPL have entered into a consulting agreement with one of the shareholders of ADGPL, BAA International Limited. This is a commercially focused agreement and was executed on 29 May 2003.				
Total expenditure	**668,317**	0	**0**	0
Port of Portland Holdings Pty Ltd				
DIAPL, ASAPL and TCAPL had entered into a technical services agreement with one of ADGPL's previous shareholders, Airports Group International (AGI). A deed of novation and discharge was entered into on 11 May 2001 between AGI and Port of Portland Holdings Pty Ltd and DIAPL, ASAPL and TCAPL.				
Total expenditure	**698,398**	813,037	**0**	0
Costs were incurred during the period in respect of the settlement of the agreement held between Port of Portland Holdings Pty Ltd (POPH) and DIAPL, ASAPL and TCAPL.				
Total cost	**5,000,000**	0	**0**	0

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 24. Statement of Cash Flows

	CONSOLIDATED 2003 ($)	2002 ($)	COMPANY 2003 ($)	2002 ($)
(a) Reconciliation of operating (loss)/profit from ordinary activities after tax to net cash flows from operations				
Operating (loss)/profit from ordinary activities	**(7,231,659)**	(2,729,217)	**11,953,726**	10,587,582
Depreciation and amortisation	**6,187,931**	5,958,060	**0**	0
Net profit on sale of property, plant and equipment	**0**	(14,731)	**0**	0
Change in operating assets and liabilities				
Other provisions	**(50,349)**	(63,144)	**0**	0
Provision for employee benefits	**129,172**	22,430	**0**	0
Trade and other receivables	**(353,063)**	(291,845)	**0**	0
Deferred expenditure	**(1,339,044)**	0	**0**	0
Future income tax benefit	**(2,330)**		(7,433)	
Prepayments	**3,676**	(46,153)	**0**	0
Trade and other creditors and accruals	**(8,867)**	(259,043)	**0**	0
Other payables	**0**	1,007,617	**0**	0
Net cash flow from operating activities	**(2,664,533)**	3,576,541	**11,953,726**	10,587,582
(b) Reconciliation of Cash				
Cash on hand	**15,536**	15,086	**0**	0
Cash at bank	**5,217,176**	5,580,540	**0**	91
Bank Overdraft	**(1,549,260)**	(1,219,411)	**0**	0
	3,683,452	4,376,215	**0**	91
(c) Finance facilities				
Bank overdraft facility	**1,000,000**	2,000,000	**0**	0
Amount of overdraft facility used	**0**	0	**0**	0
Senior debt facility	**122,700,000**	69,685,000	**0**	0
Junior debt facility	**0**	10,462,494	**0**	0
Amount of senior debt facility used	**82,700,000**	69,685,000	**0**	0
Amount of junior debt facility used	**0**	10,462,494	**0**	0

The consolidated entity has access to a bank overdraft amounting to $1,000,000 (2002: $2,000,000) as part of the senior debt facility held in the name of Northern Territory Airports Pty Ltd. For operational banking purposes balances are consolidated across the group and as at 30 June 2003 the consolidated entity had not utilised any of the bank overdraft facility. Interest rates are variable.

Note 25. Segment Information

The company operates in the aeronautical and related industries in the Northern Territory, Australia.

Note 26. Subsidiaries

Airport Development Group Pty Ltd has the following wholly owned subsidiaries, which are incorporated in Australia:

- Northern Territory Airports Pty Ltd
- Darwin International Airport Pty Ltd
- Alice Springs Airport Pty Ltd
- Tennant Creek Airport Pty Ltd

Note 27. Financial Instruments

(a) Terms, conditions and accounting policies

The consolidated entity's accounting policies, including the terms and conditions of each class of financial asset, financial liability and equity instrument, both recognised and unrecognised at the balance date, are as follows:

Recognised Financial Instruments	Balance Sheet Notes	Accounting Policies	Terms and Conditions
(i) Financial assets			
Receivables – Trade	5	Trade receivables are carried at nominal amounts due less any provision for doubtful debts. A provision for doubtful debts is recognised when collection of the full nominal amount is no longer probable.	Credit sales are on 30 day terms.
(ii) Financial liabilities			
Bank Overdrafts	13	The bank overdrafts are carried at the principal amount. Interest is charged as an expense as it accrues.	Interest is charged at the bank's benchmark rate. For operational banking purposes balances are consolidated.
Bank Loan - Senior debt	15	The bank loan is carried at the principal amount. Interest is charged as an expense as it accrues.	The original senior debt facility and junior bonds were paid out on 6 June 2003 and refinanced with a 5 year $122.7M senior debt bank facility, including a $40M capital expenditure facility. The loan is due for repayment on the 6 June 2008. Average interest charged for the year was at 7.10%. The bank has a fixed and floating charge over all present and future assets and undertakings of the company but exclude the property which is located outside the Northern Territory or the Australian Capital Territory.
Trade creditors and accruals	12		Trade liabilities are normally settled on 30 day terms.

Off Balance Sheet Derivative Instruments

In the normal course of business, the consolidated entity is party to financial instruments with off balance sheet risk in order to hedge exposures to fluctuations in interest rates for senior debt. It is a requirement of the consolidated entity's funding arrangements that a specific portion of its senior debt be hedged against movements in interest rates. Accordingly, the consolidated entity has entered into floating to fixed interest rate swap contracts.

The consolidated entity's exposure to interest rate risk for each class off-balance sheet financial asset and financial liability is set out below. The balance represents the notional principal amount of the contract.

30 June 2003	Floating interest rate	Fixed interest over 1–5 years	Fixed interest over 5 years	Non Interest bearing
Interest rate swaps	**68,777,318**	**(68,777,318)**	**0**	**0**
30 June 2002				
Interest rate swaps	54,436,588	(54,436,588)	0	0

5 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

(b) Interest rate risk

The consolidated entity's exposure to interest rate risks and the effective interest rates of financial assets and financial liabilities, both recognised and unrecognised at the balance date, are as follows:

Financial Instruments	Floating Interest rate		Fixed interest rate maturing in: 0-3 Months		4-12 Months		Over 1-5 years		More than 5 years		Non-interest bearing		Total carrying amount as per the balance sheet		Weighted average effective interest rate	
	2003 $	2002 $	2003 $	2002 $	2003 $	2002 $	2003 $	2002 $	2003 $	2002 $	2003 $	2002 $	2003 $	2002 $	2003 $	2002 $
(i) Financial assets																
Cash and liquid assets	**5,232,712**	5,595,626											**5,232,712**	5,595,626	**2.98**	2.68
Receivables - trade											**3,527,114**	3,174,049	**3,527,114**	3,174,049	**N/A**	N/A
Total financial assets	**5,232,712**	5,595,626									**3,527,114**	3,174,049	**8,759,826**	8,769,675	**N/A**	N/A
(ii) Financial liabilities																
Trade creditors and accruals											**3,471,544**	3,414,832	**3,471,544**	3,414,832	**N/A**	N/A
Bank overdrafts	**1,549,260**	1,219,411											**1,549,260**	1,219,411	**9.60**	9.60
Bank loan - senior debt					**0**	62,685,000	**82,700,000**						**82,700,000**	62,685,000	**5.73**	7.06
Bank loan - junior debt							0	10,462,468					**0**	10,462,468	**0**	10.10
Total financial liabilities	**1,549,260**	1,219,411			**0**	62,685,000	**82,700,000**	10,462,468			**3,471,544**	3,414,832	**87,720,804**	77,781,731		

5 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

(c) Net fair values

The aggregate net fair value of financial assets and financial liabilities, both recognised and unrecognised, at the balance date, are as follows.

	Total carrying amount as per the balance sheet		Aggregate net fair value	
FINANCIAL ASSETS	2003($)	2002 ($)	2003 ($)	2002 ($)
Cash and liquid assets	**5,232,712**	5,595,626	**5,232,712**	5,595,626
Receivables	**3,527,114**	3,175,279	**3,527,114**	3,175,279
Total financial assets	**8,759,826**	8,770,905	**8,759,826**	8,770,905
FINANCIAL LIABILITIES				
Trade creditors and accruals	**3,471,544**	3,414,836	**3,471,544**	3,414,836
Bank overdrafts	**1,549,260**	1,219,407	**1,549,260**	1,219,407
Bank loan – Senior debt	**82,700,000**	62,685,000	**82,700,000**	60,485,000
Bank loan – Junior debt	**0**	10,462,468	**0**	11,545,339
Total Financial liabilities	**87,720,804**	77,781,711	**87,720,804**	76,664,582

The following methods and assumptions are used to determine the net fair values of financial assets and liabilities.

Recognised financial instruments

Cash and liquid instruments: The carrying amount approximates fair value because of their short-term to maturity or are receivable on demand.

Trade receivables and payables: The carrying amount approximates fair value as they are short term in nature.

Long-term borrowings: The fair values of long-term borrowings has been determined as the carrying value of the borrowings at the reporting date. Details of the senior debt bank loan are set out in note 27(a).

Interest rate swap: The swap obligations will be retained and settled on maturity, consequently the directors consider that the net fair value of financial assets or financial liabilities arising from interest rate swap agreements has been determined as the carrying value of each swap contract that remains open at the reporting date. The carrying value represents the amount currently receivable or payable at the reporting date. These derivative contracts have been treated on a net basis as outlined in the Security Trust Deed.

(d) Credit risk exposure

The consolidated entity's maximum exposure to credit risk at balance date in relation to each class of recognised financial asset is the carrying amount of those assets as indicated in the statement of financial position, net of any provisions for doubtful debts of those assets. A specific provision for doubtful debts has been calculated using individual debtor balances and payment history. A small general provision has been calculated for the Tennant Creek Airport Pty Ltd.

Credit risk on the interest rate swap is limited to the net fair value of the swap agreement at reporting date.

Concentration of credit risk is primarily restricted to the airline industry.

6 DIRECTORS DECLARATION

In accordance with a resolution of the directors of Airport Development Group Pty Ltd, I state that:

(1) In the opinion of the directors:

(a) The financial statements and notes of the company and consolidated entity are in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2003 and of their performance for the year ended on that date; and

(ii) complying with Accounting Standards and Corporation Regulations 2001; and

(b) there are reasonable grounds to believe that the company will continue to pay its debts as and when they become due and payable

On behalf of the Board

Director	Director

Alice Springs, Northern Territory

Date: 30 October 2003

7 INDEPENDENT AUDITORS REPORT

Scope

The financial report and directors' responsibility
The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements, and the directors' declaration for Airport Development Group Pty Ltd (the company) and the consolidated entity, for the year ended 30 June 2003. The consolidated entity comprises both the company and the entities it controlled during that year.

The directors of the company are responsible for preparing a financial report that gives a true and fair view of the financial position and performance of the company and the consolidated entity, and that complies with Accounting Standards in Australia, in accordance with the Corporations Act 2001. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit approach
We conducted an independent audit of the financial report in order to express an opinion on it to the members of the company. Our audit was conducted in accordance with Australian Auditing Standards in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Corporations Act 2001, including compliance with Accounting Standards in Australia, and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the company's and the consolidated entity's financial position, and of their performance as represented by the results of their operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the directors.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

We performed procedures to assess whether the substance of business transactions was accurately reflected in the financial report. These and our other procedures did not include consideration or judgement of the appropriateness or reasonableness of the business plans or strategies adopted by the directors and management of the company.

7 INDEPENDENT AUDITORS REPORT

Independence
We are independent of the company, and have met the independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001. In addition to our audit of the financial report, we were engaged to undertake the other services disclosed in the notes to the financial statements. The provision of these services has not impaired our independence.

Audit opinion
In our opinion, the financial report of Airport Development Group Ltd is in accordance with:

(a) the Corporations Act 2001, including:

(i) giving a true and fair view of the financial position of Airport Development Group Pty Ltd and the consolidated entity at 30 June 2003 and of their performance for the year ended on that date; and

(ii) complying with Accounting Standards in Australia and the Corporations Regulations 2001; and

(b) other mandatory financial reporting requirements in Australia.

Ernst & Young

Aminul Islam
Partner
Darwin
31 October 2003

FAST FACTS

Financial Year Ending	**2003**	**2002**	**2001**	**2000**	**1999**
Passengers:					
DIA	1,085,000	1,090,000	1,380,000	1,190,000	1,160,000
ASA	570,000	520,000	665,000	600,000	610,000
TOTAL	**1,655,000**	**1,610,000**	**2,045,000**	**1,790,000**	**1,770,000**
Landed Tonnes:					
DIA	525,000	590,000	810,000	725,000	670,000
ASA	223,000	206,000	287,000	300,000	320,000
TCA	6,400	7,400	8,900	9,800	n/a
TOTAL	**754,400**	**803,400**	**1,105,900**	**1,034,800**	**990,000**
Aeronautical Charges (ex GST):					
Passenger Facilitation Charge ($/pax)					
DIA International:	2.50	2.50	-	-	-
DIA Domestic:	2.50	2.50	-	-	-
ASA:	2.50	2.50	-	-	-
TCA:	n/a	n/a	-	-	-
Airport Services Charge ($/pax)					
DIA International:	4.98	5.47	-	-	-
DIA Domestic:	4.98	4.48	-	-	-
ASA:	4.98	4.98	-	-	-
TCA:	18.00	18.00	-	-	-
Landing Charge Regular Public Transport ($/MTOW)					
DIA International:			6.52	6.57	6.77
DIA Domestic:			5.51	5.55	5.72
ASA:			5.51	5.55	5.72
TCA:			-	-	-
Landing Charge General Aviation $/MTOW					
DIA International:	15.01	15.01	6.52	6.57	6.77
DIA Domestic:	14.00	14.00	5.51	5.55	5.72
ASA:	16.50	16.50	5.51	5.55	5.72
TCA:	23.00	23.00	23.00	23.00	23.00
Revenue $000s					
DIA	15,651	12,422	11,679	10,517	9,601
ASA	6,581	4,815	4,310	4,445	4,429
TCA	196	212	222	224	116
Other	96	35	145	141	(6)
TOTAL	**22,524**	**17,484**	**16,356**	**15,327**	**14,140**
EBITDA $000s					
DIA	6,869	6,016	5,766	4,930	4,106
ASA	3,770	2,500	2,048	1,961	1,927
TCA	16	21	71	56	(75)
Other	96	83	121	123	0
TOTAL	**10,751**	**8,620**	**8,006**	**7,070**	**5,958**
Capital Expenditure $000s					
DIA	1,797	4,070	853	1,613	1,111
ASA	277	113	195	137	516
TCA	14	-	28	1	1
TOTAL	**2,088**	**4,183**	**1,076**	**1,751**	**1,628**
Employees :					
DIA	36	30	31	32	31
ASA	13	12	13	14	14
TCA	2	2	2	2	2
TOTAL	**51**	**44**	**46**	**48**	**47**

Airport Development Group

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Viv Rees
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Pam Finnigan
Merrilyn Barnes