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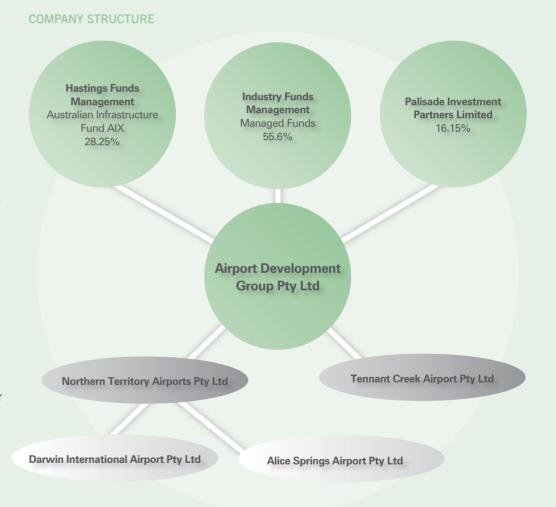
The Airport Development Group is proud to provide critical infrastructure to the people of the Northern Territory. We will continue to invest in our Airports in order to play our key role in generating growth and opportunity for all Territorians.

ADG acquired a lease from the Commonwealth Government for the three Northern Territory Airports comprising Darwin International Airport, Alice Springs Airport and Tennant Creek Airport, with a commencement date of 10th June 1998 and total consideration in the order of \$110 million.

ADG is the ultimate parent company of the group (refer to company's structure diagram). ADG owns 100% of Northern Territory Airports Pty Ltd which, in turn, owns 100% of Darwin International Airport Pty Ltd and Alice Springs Airport Pty Ltd 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 who is the holder of a 50-year lease over Tennant Creek Airport with a free option for a further 49 years.

ADG is 100% Australian owned.





Board of Directors



MR CHRIS BARLOW - CHAIR

Chris has over 30 years experience in the aviation industry. From July 2000 until August 2007 he was Managing Director and Chief Executive Officer of Australia Pacific Airports Corporation, the operator of Melbourne and Launceston Airports. Prior to this he had several roles with BAA plc (formerly British Airports Authority), the United Kingdom airports company. These include being Managing Director of Aberdeen Airport and Corporate Development Director. He has worked in the United Kingdom and North America.

Chris is also a Director of Asciano and Chair of the Melbourne Visitor and Convention Bureau.

Chris has a Bachelor of Science (Honours) in Civil Engineering and is a member of the Institute of Civil Engineers. He is married with five children and his interests include the theatre, art, tennis, rowing and golf.

MR JULIO GARCIA – DIRECTOR

Julio Garcia joined Industry Funds Management (IFM) in January 2008 as Investment Director, Infrastructure. Julio has over 14 years of experience in asset management, investment banking and strategy consulting; and has executed private capital investments, leveraged recapitalizations, mergers, acquisitions, divestitures and initial and secondary public offerings across a variety of industries. Prior to joining IFM, Julio was a Principal at Viant Group in San Francisco. In this role his responsibilities included evaluating potential investments, seeking investment capital from institutional investors, and advising on merger and acquisition transactions. Previously, Julio held positions with the Bank of America, Robertson Stephens and Gemini Consulting.

Julio holds a Master of Business
Administration degree from the Stanford
University Graduate School of Business and
a Bachelor of Arts (Public Policy) degree
from Stanford University. He is a Director of
Ecogen Energy and Wyuna Water as well as a
Graduate Member of the Australian Institute of
Company Directors.

MS ALEXANDRA CAMPBELL – DIRECTOR

Alexandra Campbell is an Associate Director for Hastings Funds Management, largely working with the Australian Infrastructure Fund and the Hastings Diversified Utilities Fund, each listed on the Australian Stock Exchange. Alexandra represents the Australian Infrastructure Fund on the Boards of ADG, Port of Geelong and Metro Transport Sydney. Prior to joining Hastings in April 2007, Alexandra was a solicitor with Freehillls.

Alexandra has a Bachelor of Business and Bachelor of Laws degree (Honours) from Monash University, a Graduate Diploma in Applied Finance and Investments from the Financial Services Institute of Australia (FINSIA) and a Masters of Applied Finance and Investments from FINSIA.



LEFT TO RIGHT Chris Barlow, Alexandra Campbell, Roger Lloyd, Tom Ganley, Jeff Pollock, Julio Garcia

JEFF POLLOCK - DIRECTOR

Jeff Pollock is part of Hastings Funds Management's executive management team and holds the dual role of Head of Listed Infrastructure and Chief Executive Officer of the Australian Infrastructure Fund.

Prior to joining Hastings, Jeff was part of the senior management team at Prime Infrastructure/Babcock and Brown Infrastructure (BBI) where he was Prime Infrastructure/BBI's Chief Financial Officer and then Chief Operating Officer for BBI Transport Infrastructure. Jeff previously also held senior positions with Queensland Treasury and Price Waterhouse.

Jeff holds a Bachelor of Accountancy degree from the University of Glasgow, and has been a member of the Institute of Chartered Accountants of Scotland since 1988.

ROGER LLOYD - DIRECTOR

Roger has 14 years funds management and investment banking experience, with over two years with Perpetual Investments, including as Head of Infrastructure, and 12 years with Macquarie Bank and previously Bankers Trust Australia.

Roger was in the project finance division of Macquarie's Investment Banking Group, where he focused on Public Private Partnerships working with both Government and private sector clients. In this role, Roger was involved in origination of transactions, consortium formation, structuring and arranging debt and equity across a broad range of infrastructure projects. He also played an important role in the government advisory business of the bank and has an intimate knowledge of Government requirements in privately financed projects.

Roger is a Chartered Accountant and holds a Bachelor of Business from Kuring-gai College (now University of Technology Sydney).

TOM GANLEY – CHIEF FINANCIAL OFFICER AND COMPANY SECRETARY, NORTHERN TERRITORY AIRPORTS

With over 20 years experience in aviation finance, Tom joined ADG in June 1998. Prior to joining ADG, Tom held various senior finance and commercial management roles at Adelaide and Alice Springs Airports.

Tom is a Commissioner for Oaths for the Northern Territory. He holds a Bachelor of Accountancy, a Graduate Diploma in Applied Corporate Governance and an Australian Institute of Director's Diploma. Tom holds Fellow memberships with the Institute of Chartered Secretaries and Administrators and the Australian Institute of Company Directors.

Tom is currently serving as a Director on the Board of the Northern Territory Chamber of Commerce and Industry and also sits on the Committee of the Northern Territory Chapter of the Australian Institute of Company Directors. Vision, Purpose, Values and Corporate Goals

Our vision is to be the most successful airport business in Australasia.

Vision

We will know that we have achieved our vision of becoming the most successful business in Australasia if we have achieved the following:

- Commercial non-aviation property portfolio exceeds \$200 million
- Three million passengers at Darwin International Airport; 700,000 at Alice Springs Airport
- Gained the respect of all our airline customers
- People wanting to work for Northern
 Territory Airports a great place to be
- Recognised as a significant contributor to the Northern Territory economy
- Strong and diverse community support for our airport businesses
- Continuing to outperform other Australasian airports in Total Shareholder Return (TSR) growth.

Purpose

Our purpose is to provide safe and efficient airport services that our customers believe represent value for money, and to optimise the long-term financial returns to our shareholders commensurate with the risk associated with the aviation and non-aviation opportunities that are latent in our diversifying business. We will do this by:

- Developing a sustainable airport (aviation and non-aviation) business
- Excelling in financial management, environmental management, safety and security management
- Maximising long-term value for our shareholders
- Contributing to Northern Territory economic growth and our community.

Values

We recognise that we are judged by all our stakeholders by the way we act. Our reputation with the community is paramount and at all times we will act with honesty and integrity. Our underlying corporate values and principles will reflect this. Everyone in our company understands the importance of being:

Customer focussed Our customers are important and our focus on their needs will ensure our relevance and success

Honest and ethical in all our business dealings We should do what we believe is right at all times when dealing with others

Professional in our approach to stakeholders We must protect and grow our shareholders' investments and represent the legitimate interests of our stakeholders



Innovative and creative (positive and encouraging of ideas) We will encourage innovation and creativity in our team in order to outperform our peer airports

Responsible in delivering on our commitments and taking ownership of our responsibilities Everyone has an important role to play and we will be judged according to our outcomes

Valuing and respecting of our people and our aim to be an employer of choice

Our people are our most important resource and we will respect their rights, promote their talents and reward their commitment

Responsible to ensure safe, secure and environmentally sustainable outcomes for all

We will give proper regard to health, safety and the environment consistent with our commitment to contribute towards sustainable development and continuous performance improvement.

Corporate Goals

The key corporate objectives of the airport business can be summarised as:

- Operate a safe, secure and sustainable airport business within the regulatory environment
- Maximise shareholder value by generating best financial return from all parts of the business
- Operate the optimal corporate structure to ensure future cash flows are maintained.

Goals are the translation of our vision and purpose into tangible desired outcomes and they state what we want to achieve over the planning period.

On behalf of the ADG Board of Directors, I am pleased to deliver the 2008/2009 ADG Annual Report.

DG is a privately owned company and as such we are not required to produce an annual report for public consumption. However, I believe that particularly in these challenging economic times, it is our obligation to remain transparent in our operations and therefore accountable to all of our stakeholders, not just our shareholders.

ADG has now entered its 11th year as the operator of Darwin International Airport, Alice Springs Airport and Tennant Creek Airport and since 1998 has invested more than \$137 million into capital works at these three locations.

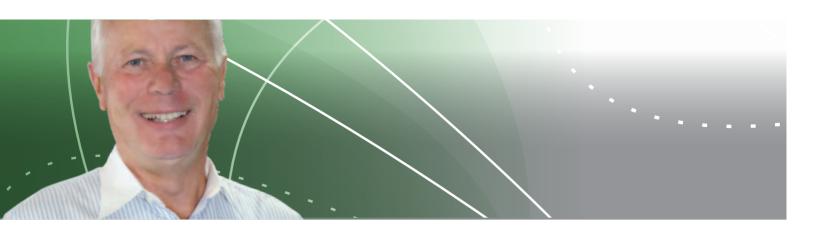
As in the previous financial year, I am pleased that ADG remains 100% Australian owned. Our owners are Industry Funds Management - Managed Funds (55.6% ownership), Hastings Funds Management Australian Infrastructure Fund AIX (28.25% ownership) and Palisade Investment Partners Limited (16.15% ownership).

In these difficult times ADG performed well. Revenue grew by 11% over the previous year, driven by strong passenger growth of 9.5% together with improved retail revenue. EBITDA as a result grew by 13% over the prior year.

This growth in passenger numbers is partly due to the growing economic importance of the top end of Australia, together with the fact that Darwin is well placed as a hub for low cost airlines to gather travellers from the major Australian cities and subsequently give them the opportunity of travelling on to the many destinations in Asia. This has been a growing market for Jetstar, the Qantas low cost subsidiary. However, all airlines, including the Qantas Group, are seeing their revenue and their yields fall in the global financial crisis. ADG is acutely aware of the need to support all our airlines and we will continue to do our utmost to minimise costs to our airline customers.

In April 2009, the Board met with senior management over two days to discuss and agree on strategic and financial targets for the 2009/2010 financial year. The Board also reviewed its own performance and concluded that improved consistency of Board membership had enabled the Board and management to work well together, which was being reflected in the sound performance of the company. The Board also concluded that the company enjoyed a very professional management team that was navigating the company well through this downturn in the economic climate.

Over the last 18 months, ADG has placed great emphasis on the importance of its corporate governance structure and strategic planning framework. I believe that this culture of accountability and disciplined planning is now well embedded into the organisation and the results being produced can, in part, be attributed to this. This year in particular, significant focus was put on the risk register and the subsequent ongoing management of these risks.



With sustainability and environmental management now part of everyday business, ADG is taking a proactive approach in its role to reduce its impact on the environment and reduce its environmental footprint. ADG has established targets to reduce its water and energy consumption, not only for the business itself but also its tenants and related businesses on the airport.

We are now well into the final phases of preparation of the 2009 Master Plan and Airport Environment Strategy documents. For Darwin International Airport and Alice Springs Airport, the 20-year Master Plans provide a concept for long-term development as airports with an optimal mix of aeronautical and non-aeronautical uses. The 2009 Master Plan and Airport Environment Strategy documents have already been through extensive consultation processes with all stakeholders, including government agencies, airlines, general aviation operators, airport businesses as well as community groups and the general public, to scope the major issues.

Over the next year we intend to continue developing our good relationships with both the Federal and Northern Territory Government as we work together to ensure the continued economic development of our region. At the same time the Board remains committed to delivering strong financial performance and maximising shareholder returns for the 2009/2010 financial year.

CHRIS BARLOW

Chuis Davley

Chair

The 2008/2009 financial year turned out to be a year of considerable challenge and uncertainty. Facing the toughest global economic conditions in living memory, in some ways it was a year of contrasts for our business and the Northern Territory as a whole.

hilst world markets went into freefall and other states of Australia battled the effects of recession, Inpex announced that Darwin would be the site for its \$12-billion gas plant (if the project proceeds) and this, together with increased commitments by the Federal and Northern Territory Government to Northern Territory capital projects, helped provide stable employment, continued local business confidence and, as a consequence, moderate economic growth.

In December 2008, I met with all ADG staff to not only wish them a safe and happy festive season, but to also prepare them for the 12 months ahead with a frank overview of current business conditions and the measures that ADG needed to take to deliver our plan. Explaining to them that with the recent refinance of the company debt structure, meeting our budget targets was, in simple terms, essential.

I believe that our financial and operational results in the 2008/2009 financial year demonstrate the strength of our business, and at the heart of that strength is the dedication

and commitment of our people. Our team rose to the challenge of reducing costs in the business wherever possible by improving the efficiency of our systems and processes. We have also continued to work with stakeholders during the year to deliver better operational efficiencies within the airport business.

In addition to this, our business now benefits from a more disciplined methodology and timetable for strategic planning. Our vision for the business remains clear; to be the best performing airport business in Australasia. With an effective corporate governance framework in place, areas of critical importance are continually on our radar, guiding us to achieve sustained performances towards the front of the pack compared with other Australasian airports.

ADG generated total revenue of \$71.6 million and EBITDA of \$40.9 million in the year to 30 June 2009, representing increases of 11% and 13% respectively on the prior financial year.

The strong improvement in earnings is largely attributable to the continued growth

in passenger numbers, with a total of 2.7 million passengers serviced by Northern Territory Airports over the year, representing 9.5% growth (including a large increase in transit passengers) on the prior financial year. The growth in passenger numbers was particularly strong in the domestic sector for Darwin International Airport, with passenger numbers increasing 6% on the prior year. A better than expected tourism season and the stable Northern Territory economy were the key drivers of passenger growth.

Non-aeronautical sources of revenue also performed well over the year, with property revenue increasing by 14.7% and trading revenue from duty-free, car rental and car parking sources increasing by 28%. At Darwin, duty-free income was up an impressive 61% and food and beverage 42%. This growth was attributable to the continued growth in passenger numbers and the focus on providing high quality services by the airport and its retail partners.

During the year, ADG continued planning for the development of a new passenger terminal at Darwin International Airport,



receiving the support of both the Federal and Northern Territory Governments. However, the development was put on hold after Darwin International Airport and Jetstar, representing the broader Qantas group, were unable to reach a commercial agreement necessary to underpin the \$60-million development.

ADG also applied for \$30 million in funds from Infrastructure Australia to help ensure the project would proceed, however the application was unsuccessful. ADG received strong support from both the Northern Territory Government, Jetstar and others for its national interest argument that regional airports provide critical infrastructure to small economies but face disproportionate costs, particularly with the mandated national security requirements.

In December 2008, ADG successfully refinanced its debt facilities for a further three years.

Capital expenditure for the 2009/2010 financial year is still targeted at around \$24 million, of which the majority will be spent directly on aviation activities. In the past five

years, ADG has delivered more than \$77 million in aviation-related capital projects.

Other notable events during the 2008/2009 financial year included:

- Ratification of the Northern Territory
 Airports' Employee Collective Agreement
 allowing much greater flexibility in the
 workplace to support our business
 operation into the future
- On time and on budget completion of the Alice Springs Airport runway overlay project at a cost of \$10 million
- Opening of the 136-room Darwin Airport Inn in September 2008
- Official opening in October 2008 of the \$450,000 Darwin Airport Public Art
 Precinct, after more than 18 months in the planning and production stages. This precinct was jointly funded by the airport and the Australian and Northern Territory
 Governments
- The forming of a joint venture human resource program with Melbourne and Perth Airports to provide support through personnel, exchange of policies and

procedures and allow career development of team members through a secondment program.

In hindsight, 2009 turned out to be a good year for our airport businesses. Despite the difficult economic conditions, the underlying strength of our business prevailed and we look forward to an exciting year ahead.



IAN KEW

Chief Executive Officer





During 2008/2009 ADG maintained and added several programs and benefits to ensure a healthy, safe and pleasant work environment was available for all its people.

ince July 2008, ADG recruited 17 new staff to its Darwin office and employee numbers remained steady at Alice Springs Airport. As at 30th June 2009, ADG had 64 full-time staff based in Darwin, 13 in Alice Springs and one at Tennant Creek Airport.

During challenging economic times and softening of the employment market, the provision of non-salary based benefits and incentives becomes increasingly important in both the recruitment and retention of employees. ADG maintained its focus on becoming an 'employer of choice' during the 2008/2009 financial year by maintaining and adding to its staff's access to these non-salary based employment benefits:

ADG maintained its Employee Assistance
 Program (EAP) which offers staff and their
 immediate family members 24-hours-a day access to a network of counselling
 and support services for adults and
 children experiencing difficult personal
 circumstances.

- The forming of a joint venture human resource program initiated by ADG with Melbourne Airport and Perth Airport to provide support through personnel, exchange of policies and procedures, comparison of best practice, and most importantly to allow for career development of team members through a secondment program. During the 2008/2009 financial year, two staff members from Darwin International Airport participated in secondments to Perth Airport, assisting them in coverage for finance positions as well as broadening the knowledge of ADG personnel.
- The Gateway to Health program continued to provide our staff with access to free health assessments, on-site exercise classes and wellbeing activities and several events outside of the work environment that focussed on fitness and team development.
 Staff members continue to be offered free yearly influenza, tetanus, and Hepatitis A and B injections.

Significantly, the Employee Collective Agreement for ADG staff was finally approved and ratified by the federal Workplace Authority towards the end of the 2008/2009 financial year. This new Agreement steps away from the old award-based document and is structured to allow flexibility in the workplace and to support the business operation into the future. The new Agreement received an overwhelming majority 'yes' vote of support from staff on several occasions through the approval process.

An on-site training facility was constructed at the Darwin International Airport Management Centre during the 2008/2009 financial year, allowing staff to attend training seminars without having to travel away from the office.

ADG continued its ambitious health and safety based training programs during the year which included the use of sub-contractor DuPont as a training facilitator. ADG was also an active participant in Safe Work Week in October 2008. The week included education sessions for staff and tenants on noise induced hearing loss, manual handling and health awareness.



| SAFE campaign posters



The Safe Airports for Everyone (SAFE) campaign was also launched during the 2008/2009 financial year. The campaign is designed to strengthen the safety culture through ADG and assist in achieving our airport and regulatory safety targets. Several posters were developed using ADG staff which are now on display around the three ADG airport locations. The campaign also includes a series of SAFE newsletters, education seminars and awareness training with a key safety focus being introduced each month.

A staff survey was carried out in December 2008 to assess ADG employee opinions of the effectiveness of communication within the organisation. Overall the results were encouraging with a response rate of over 50% from staff. Over 80% of respondents felt their supervisor 'kept them well informed'. The survey also gave staff an avenue to suggest several ideas and initiatives on how communication in the organisation could be improved. These suggestions resulted in several new communication methods being initiated, such as a monthly internal newsletter.

Two staff based in Darwin celebrated long service achievements during the 2008/2009 financial year. Tom Ganley, Chief Financial Officer and Company Secretary, achieved the milestone of 20 years airport service, and Lunar Eclipse, Technical Services Officer, achieved 10 years.

Several departmental restructures took place during the 2008/2009 financial year to better align existing resources with the strategic focus areas of the company. A new department, Airport and Airline Services, was created, headed by Jim Parashos. This department focuses on ADG's relationships with its airline customers, as well as the delivery of customer service objectives within our passenger terminals.

The Operations team in Darwin saw some significant restructure of roles to enable improved focus on customer service, safety standards and allow for continuous improvement in the day-to-day delivery of terminal and airfield operations.

Four new Airport Duty Manager roles were created, providing delivery of 24/7 airport cover. This role directly replaced the roles of Terminal Duty Manager, Terminal Coordinator, Airfield Coordinator and the Safety 2 position.



Our Values

We will encourage innovation and creativity in our team in order to outperform our peer airports.

Innovative and Creative



Ilma Thorne

ADG is an organisation that has the health and welfare of its people at heart and is committed to continuously improving workplace health and safety.

The airport management team undertakes a variety of roles to ensure the effective operation of an airport, although a number of these roles may require long hours sitting in an office or vehicle.

ADG enlisted the services of Q2 Health, a qualified exercise physiology service provider, to design, develop and implement the innovative Gateway to Health program to improve staff health and wellbeing.

This comprehensive and flexible program identifies specific needs of individuals and focuses on preventative intervention. The significant achievements made by individuals are the most outstanding result. This, combined with better staff morale, internal and external relationships and long-term

benefits of reduced sick leave, provide the company with significant value-added bonuses.

Ilma Thorne is an Operations Services
Coordinator at Alice Springs Airport. Over a
period of 15 months, Ilma has lost over 75
kilos, significantly reducing her body mass
index (BMI). Her success is attributed to
her own efforts as well as being an active
participant in the Gateway to Health program.

Ilma says of the program, "I enjoy the variety of activities and the information sessions offered in the program, but it's the walks and bike rides I enjoy the most — it's more fun to do these things as a group rather than trying to do them just by myself."





Our objective is to integrate environmental considerations into the development of facilities and services and seek to minimise their impact on the natural environment.

Environment and Sustainability

ADG continues to place the environment and sustainability at the forefront of its key focus areas.

he staff at ADG are active participants in the local community and take pride in nominating the airports' environmental projects for industry awards.

A number of notable key achievements for the 2008/09 financial year are:

- The Darwin International Airport and Greening Australia partnership entered into the second year of its program to implement a 15-hectare conservation reserve on airport land.
- Darwin International Airport hosted its second Community Tree Planting Day in December 2008, where an estimated 2500 natives were planted by over 100 volunteers including airport staff.
- The extension of the native garden 'Matboerrma' (Larrakia word for 'group of plants'). Designed by Ken Kirkman, NT Landesigns and facilitated by CAS Horticulture and Greening Australia.
- Anetyeke Gardens at Alice Springs Airport
 was the focus of extensive improvement
 works. 'Anetyeke' is derived from 'Mwerre
 Anetyeke', meaning 'a good place to sit'

in the local Eastern Arrente Aboriginal language. Local artist Pauline Clack created educational signage of species and an explanation of some of the ecological processes in Central Australia. An information 'pod' was also installed in the passenger terminal to educate visitors about the garden. The project was nominated in the 2009 Power and Water Corporation Melaleuca Awards.

- Darwin International Airport teamed up with Monash University Sustainability Institute's Green Steps program to undertake reporting on business emissions and to identify actions that can help reduce our greenhouse footprint, in line with the Greenhouse Challenge Reporting.
- A marketing campaign project was launched in May 2009 with Power and Water Corporation aimed at communicating the message of water and energy conservation to passengers and tenants that pass through our airport terminals.
- A stormwater retention basin was completed at Darwin International Airport, opposite the Bunnings site in 2008. The project was completed in conjunction with the

Department of Defence and used contractor Greening Australia for the revegetation.

 A 20-metre buffer zone of native vegetation was planted at Darwin International Airport along the McMillan's Road boundary, enhancing the local natural environment.

Work on the 2009 Airport Environment Strategy documents for both Darwin International Airport and Alice Springs Airport is now well into the final consultation phase. Extensive liaison with all stakeholders, including the general public, has taken place to ensure their feedback is carefully considered.

Both airports are required to prepare a five-year strategy plan for environmental management of operations on airport. Its purpose is to ensure relevant environmental standards and legislation are adhered to; moreover it establishes a framework for assessing environmental compliance with the standards and legislation. The strategy also guides continual improvement to environmental management across the two airports.





Our values

Acting responsibly to ensure safe, secure and environmentally sustainable outcomes for all

We will give proper regard to health, safety and the environment consistent with our commitment to contribute towards sustainable development and continuous performance improvement.

Harry Stubbins

In order to maintain environmental management and protection of Northern Territory Airports, a Bird and Animal Hazard Management plan has been implemented.

The Feral Animal Control program falls within this plan, which includes the management of rabbits on Airport land. Alice Springs Airport is surrounded by a two-metre high inner boundary fence, which has two main purposes: to provide security between public and non-public areas and prevention of wildlife access. The fence prevents dangerous threats to airside safety from rabbits as well as larger animals such as kangaroos, cattle and horses.

Regular runway inspections are performed every day by Airport Reporting Officers who look out for wildlife and any dangerous spills of chemicals or fuels. When rabbits are sited they are tracked back to their warrens, their locations GPS recorded and monitored thereafter with full details of the various culling methods used.

The Airport captures and records all flora and fauna information of the airport's 800 hectares within a grid map that's divided into 23 zones. This identifies the areas where the warrens are found, various birdlife, plant infestations and any sightings of protected species, which is information that is shared with Parks & Wildlife Officers.

Harry Stubbins has been with Alice Springs Airport for over 27 years and when asked what a typical day may look like for him, he answered, "In the aviation industry, no two days are ever the same! Both the environment and security have seen the biggest changes here over time. There is a lot more monitoring and recording work going into the environment now, and I would say it has improved at least 300-400%."

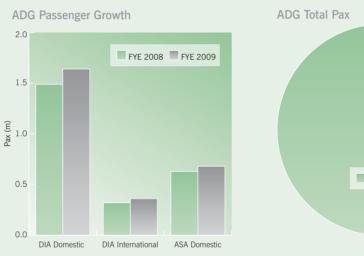


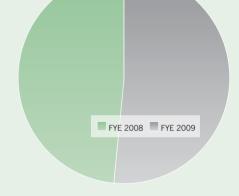


Our objective is to provide airport infrastructure and facilities which are timely, cost-effective, flexible in use and provide a good customer experience.

The 2008/2009 financial year produced steady passenger numbers for ADG with an overall increase of 9.5% in passenger traffic on the prior year, despite contending with a global financial crisis and peak fuel prices.

AIRLINE SERVICES





Changes in Airline Services at Darwin International Airport

AIRLINE	ROUTE	FREQUENCY/CAPACITY CHANGE	EFFECTIVE DATE
Jetstar	Sydney-Darwin-Ho Chi Minh	0 to 5pw	September 2008
Jetstar	Brisbane-Darwin-Bali	0 to 7pw	December 2008
Tiger Airways	Singapore-Darwin	4 to Opw	October 2008
Tiger Airways	Melbourne-Darwin	4 to Opw	October 2008
Airnorth	Darwin-Bali	3 to Opw	January 2009
Garuda Indonesia	Bali-Darwin	3 to Opw	April 2009
Airnorth	Darwin-Dili	Upgrade to 76-seat E170 jet	February 2009
Jetstar	Cairns-Darwin/ Darwin-Singapore	Upgrade to 214-seat A321	June 2009
Virgin Blue	Perth-Darwin	0 to 7pw	April 2009
Virgin Blue	Melbourne-Darwin	0 to 6pw	April 2009



Jetstar on the tarmac at Darwin International Airport

Key features of 2008/09:

- Jetstar doubled its international destinations
- Tiger withdrew all services to Darwin
- Garuda withdrew flights to Bali
- Virgin Blue started a new Perth service and resumed Melbourne flights
- Skywest resumed Perth services
- Airnorth increased operations with a second E170 Embraer Jet.

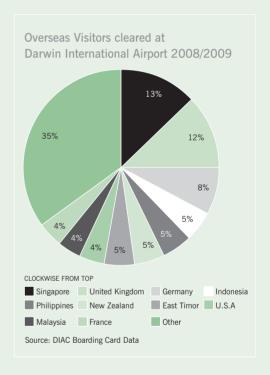
Darwin

Although Darwin saw the loss of Tiger and Garuda, Jetstar added two new international services to its portfolio of Vietnam and Bali, creating links via Darwin from Sydney and Brisbane respectively. Darwin is now a hub for Asian destinations from four Australian capital cities.

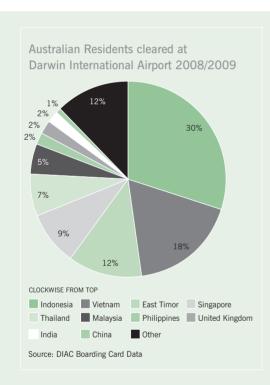
The final quarter of the year saw the return of Skywest to Perth, additional services from Virgin Blue and several charter flights to service the biennial Arafura games.

The new Virgin Blue services created a capacity growth of 250,000 seats each year as well as the increase of freight loads through Virgin Blue's agreement with partner Toll Priority.

The delivery of Airnorth's second E170 Embraer Jet saw Airnorth become the lead customer for this long range aircraft which now allows the airline to carry a full payload (76 passengers, full baggage and freight) with more than four hours flying time in any direction.



Airnorth is now capable of operating services direct and fully loaded to every Australian mainland capital city as well as many Asian destinations to the near north of Darwin.



Alice Springs

Despite Tiger Airways suspending Darwin operations in late 2008, the airline grew strongly in Alice Springs.

Tiger Airways operates three services per week from Melbourne to Alice Springs, and operated a fourth service to cater for the peak Christmas period.

In March 2009, Tiger Airways increased its reach from Alice Springs launching three-perweek flights from Adelaide. Alice Springs is being positioned as the gateway to the Red Centre, with research showing that domestic and international travellers are using Alice Springs as their base when exploring the region.

During the year Qantas continued its extensive network, offering services of seven city pairs from Alice Springs.

AIRPORT SERVICES

Key highlights in 2008/09:

- Darwin International Airport retail grew by 29% over the previous year
- Ground Transport revenue at Darwin International Airport was up 19% on the previous year. This increase was driven by a combination of passenger number growth and a 35% increase in the average passenger spend rate
- A new retail offering News Travels, was opened in the international departures lounge at Darwin International Airport in May 2009
- Alice Springs Airport retail grew by 11% over the previous year





Public Art Precinct at Darwin International Airport

 Ground Transport revenue at Alice Springs Airport increased by 10%.

JR Duty Free at Darwin International Airport completed an expansion to their arrivals store in April 2009, with floor space increased by 33%. The quality fit-out of the store creates a more appealing and inviting shopping experience.

October 2008 saw the introduction of Ground Transport Coordinators at Darwin International Airport. This customer service role is designed to assist arriving passengers with finding the appropriate form of transport to suit their time and budget. This role works closely with key transport stakeholders and is aimed at providing visitors to Darwin with a great first impression of our city. Positive feedback has since been received from passengers and the ground transport providers.

The official launch of the \$450,000 Public Art Precinct featuring indigenous and non-indigenous works at Darwin International Airport took place in October 2008. Managed on behalf of ADG by the Jumbana Group's

Balarinji Studio in Sydney, the project was completed after 18 months in the planning and production stages. Funding support for this project was provided by the Federal Government and the Northern Territory Government.

Darwin International Airport was once again a proud supporter of the Arafura Games which take place in Darwin biennially in May. The airport liaised closely with the organisers in the planning process to ensure that the 2000 athletes were processed quickly and smoothly through the terminal.



Our customers are important and our focus on their needs will ensure our relevance and success.

Customer focussed

Larry Tessmann

The Airport Development Group has a diverse range of customers.

The range includes a mix of large international and national airlines, and general aviation customers consisting of large and small aircraft companies, private operators plus aviation service industries. All of these customers require specialised infrastructure and services to operate their businesses.

One such customer is Jayrow Helicopters, who has been operating from Darwin International Airport's helicopter area for over 22 years. Jayrow is the Territory's largest turbine helicopter operator and is Darwin International Airport's anchor helicopter customer. They have a fleet of 11 helicopters within the Territory that provides services to Telstra, oil and gas companies, the mining industry and even businesses with mosquito spraying programs, among others. Until recently, their fleet also included four large and impressive Sikorskys: two S61s and two S76s that worked the offshore gas operations at the Blacktip field.

Due to Darwin's rapidly growing aviation industry Darwin International Airport's Master Plan includes plans to increase the size of its General Aviation area and expand its Helicopter facilities in the future. Currently, its sealed parking apron accommodates nine helicopters with overflow space provided on adjoining grassed areas.

Jayrow Operations Manager, Larry Tessmann, says of his 22 years, "Business-wise, it's great to be positioned in a central airport location. It definitely has its advantages such as being able to be on site for our fly in customers who we can then fly straight out.

We welcome the recommendations of the Master Plan to expand the Helicopter area of the airport. Darwin is fast positioning itself as an oil and gas hub, which will result in more helicopter activity, requiring even more services and infrastructure."



Operations and Development

Our objective is to engage with key community, business and government stakeholders on airport-related economic, social and environmental issues and be mindful of surrounding community interests.

Operations and Development

In adhering to ADG's key focus area of stakeholder relationship management, this year saw the Operations team work closely with key stakeholders to improve the entire passenger experience at their three Airports.

uring the 2008/2009 financial year, the Operations team participated in focus groups to establish a road map for a Service Improvement Program. The team worked closely with key stakeholders, including airlines, border agencies and terminal tenants, to assemble and identify key areas for this plan. Its ultimate aim is to improve the entire passenger experience at our three airports.

In addition to this, extensive work was undertaken to establish a formal system of metrics to understand customer feedback better and to implement methods of utilising this customer feedback. Customer survey stations are now active at both Darwin International Airport and Alice Springs Airport and the data is captured and reported back to management.

This method of capturing customer feedback is creating focus on a number of continuous improvements in service and efficiencies. For example, work is progressing on improving toilet cleanliness, check-in queuing, way-finding and providing enhanced retail facilities.

During September 2008, the team at Darwin International Airport was proud to receive a 'highly commended' award for the resurfacing of the Runway 11/20 project in the 2008 Engineers Australia Northern Division Engineering Excellence Awards. This \$12-million project was completed in conjunction with the Department of Defence, Sinclair Knight Merz and Pioneer Road Services.

The \$10-million runway overlay project at Alice Springs Airport was completed on time and on budget in April 2009. The project work included asphalt overlay to the main runway 12/30, widening of the turning nodes, fillet widening at taxiways C, D and E and part taxiway lighting upgrades. Approximately 18,000 tonnes of asphalt was laid in lengths of around 200 metres which started from the western end of the runway. A team of approximately 70 worked on the project during the evening between 6 pm and 6 am to ensure that our airline customers were not impacted by the works.

In a joint project with the Department of Defence, retro-reflective Movement Area Guidance Signs (MAGS) were installed at the major runway and taxiway intersections at Darwin International Airport. Placement of the signs is aimed at reducing the incidence of runway incursions and assist pilots not familiar with the aerodrome.

During August 2009, work was completed on an open drain re-diversion to allow way for completion of two new aircraft parking bays. Some 19,000 cubic metres of rock were removed from the open drain excavations during the works. The airport has worked closely with its airline partners to ensure flexibility of existing apron facilities during the construction of the new bays. Once completed in December 2009, two additional bays will be provided accommodating A320 size aircraft or similar.

Construction of covered walkways were completed at Darwin International Airport during the period at a cost of \$1.3 million. In line with ADG's focus on improving the passenger experience, these walkways now provide enclosed arrival and departure access



CONGRATULATIONS to Pioneer Road Services who won category three of the 2008 Civil Contractors Federation (CCF) Earth Awards for their work on the Darwin International Airport runway re-sheeting.

for passengers stemming from aerobridges one to three. The walkways also boast 100% naturally powered and emission-free ventilation, with power being sourced through solar panels placed on the roof.

The first half of 2009 saw the introduction of the Federal Government's Drug and Alcohol Management Plan (DAMP) which includes random screening of staff involved in safety sensitive aviation activities and roles. As a result of this new plan, ADG arranged education sessions and supervisor training for all staff affected by the new legislation. The overall program is designed to assist those associated with the civil aviation industry to better understand the significance of alcohol and other drug use in their environment and the resulting safety risks.

A plant species identification system was developed by the team at Alice Springs
Airport to assist Aerodrome Reporting (Safety)
Officers to become more familiar with plants at the Alice Springs Airport airside boundary.
The purpose of this is to gain a better insight into whether birds favour certain plants and to review the management of these plant

species and subsequently reduce the risk of bird strikes.

A new Three Tier Safety Inspection has been implemented across ADG airports to ensure high standards of safety are maintained and faults and activities are promptly detected and reported. The new inspection regime involves input from all levels of management from the CEO down. This is part of a wider program to embed DuPont safety leadership principles throughout our operational teams.

ADG has also worked with the Office of Transport Security to carry out workshops as part of the Regional Aviation Training and Exercise (RATE) Program in June 2009. The workshops, funded by the Office of Transport Security, involved a wide variety of aviation industry participants, government and response agencies. The workshops were held as part of a series across the Northern Territory to raise security awareness in the regional aviation sector and builds on the ongoing partnerships developed with key stakeholders to enhance information sharing and cooperation.

Working with our security service provider, more efficient rosters have been implemented at Darwin International Airport and Alice Springs Airport resulting in staff operating cost reductions of around 12%. Additional savings have also been achieved by upgrading security equipment which has not only resulted in more efficient passenger processing but also reductions in maintenance costs.

As part of ADG's commitment to energy and sustainability, replacement of the Darwin Terminal Building Management System is due for completion at the end of October 2009. Carbon dioxide sensors have been installed to improve efficiency of air-conditioning by automatically controlling the amount of outside air based on passenger occupancy. The installation also included 'smart metering' and energy management, run-status and information alarms of our main standby generator installation. ADG subsequently completed a review of the use of security resources focused on delivering better value to its customers.



Our values

We should do what we believe is right at all times when dealing with others.

business dealings

Honest and ethical in all our

Mike Clancy

During 2009, a new team of Airport Duty Managers (ADM) was established providing 24/7, around-the-clock, customer service and attendance to daily operational issues. These roles now provide an essential point of contact for our stakeholders and leadership for the Operations team.

Mike Clancy says the following about the new ADM role, "With the implementation of the new ADM role 24/7, we have been able to deliver on our commitment to stakeholders and respond to enquiries and operational issues in a timely professional manner, whilst providing the highest quality of service to our passengers to make their experience a smooth and enjoyable journey in a safe and secure environment. All members within the ADM team have an important role to play."



Property Our objective is to undertake developments which enhance value to our shareholders and the broader economic community. | Page 39

In line with global trends, 2008/2009 saw ADG diversify its property business to complement and add value to its Darwin and Alice Springs airports as well as its customers and stakeholders.

he 2008/2009 financial year saw the property market both internationally and domestically experience probably its toughest operating environment for many decades. The significantly reduced availability of credit impacted funding for property acquisition and development. Planned new projects were postponed or abandoned. The local market has seemingly avoided the substantial negative effects experienced elsewhere but any project requiring involvement of national participants has been impacted by the global and national economic climate.

Due to these issues commencement of our planned Home and Lifestyle Super Centre has been delayed.

Approval of the Major Development Plan for the Super Centre from the Minister for Infrastructure, Transport, Regional Development and Local Government, the Honourable Anthony Albanese, was received in early 2009. Approval, which allows for commencement within the next five years, was for a 43,000m² development located on land near Bunnings on Osgood Drive.

Discussions are underway with potential joint venture partners to advance this project.

September 2008 saw the completion of construction and opening of the new Darwin Airport Inn. With the completion of this project, together with the existing Darwin Airport Resort, over 300 hotel rooms are available on Airport. Both developments were undertaken and are managed by the same operator. Occupancy at both facilities continues at high levels.

Construction of an extension to the Bunnings facility was completed during the year. The original development completed in 2006 is owned by Darwin International Airport and leased to Bunnings on a long-term lease. This store continues to perform above expectation and is used as a stock base for the Tiwi Islands and Broome stores.

The public car park at Darwin International Airport was extended late in 2008 with 160 bays being added to the northern side of the existing facility. Substantial landscaping around the new development was a

significant part of this project. The addition has been well received by the public.

Following receipt of Expressions of Interest, a contractor has been selected to construct a 235-kW solar power station at Alice Springs Airport. To be constructed on a one-hectare parcel of land, the 28 solar panels —each measuring seven metres by eight metres will supply almost 30% of the Airport's current energy requirements. Supported by the Alice Solar City Consortium and with a funding application made to the Australian Government, the project is expected to be completed in mid 2010. It is one of Alice Solar City's iconic solar energy projects, helping to make Alice Springs a national and international showcase for the use of renewable energy.

As part of the Airport Master Plan process, we have undertaken a detailed review of General Aviation and its future requirements. Expansion of the General Aviation facilities will be needed and we are developing options for discussion with our General Aviation stakeholders.



Darwin Airport Inn, located at Darwin International Airport

An area of land of 60-hectares at Darwin International Airport, has been identified as not required for aviation purposes and identified at the time of acquisition of the airport lease in 1998, is to be developed for commercial property. The precinct has been master planned in accord with 20-year forecast demand projections and is to be branded as AXIS 12°130° (12 degrees south and 130 degrees east are the longitudinal and latitudinal co-ordinates of Darwin).

The AXIS 12°130° precinct is being marketed for joint venture participation in the development of retail, office, showroom and leisure projects. It will be the first major master planned commercial precinct in Darwin. It will be a controlled development precinct, aimed at bringing to the Territory standards of commercial accommodation to meet the growing needs of the Darwin populous in both style and function.



Our values

Professional approach to stakeholders

We must protect and grow our shareholders' investments and represent the legitimate interests of our stakeholders.

John Robinson

In recent years there has been a global trend with major international airports to use centrally located non-aviation land to diversify income streams and support aviation activities.

This trend has been mirrored by Australian airports who have added a range of innovative commercial, retail, hotel and tourist related businesses to their property mix.

In line with this trend, ADG is also growing its property business to complement and add value to its airports, customers and stakeholders. Two of the success stories of the Darwin International Airport's property initiatives are the Darwin Airport Resort and Darwin Airport Inn.

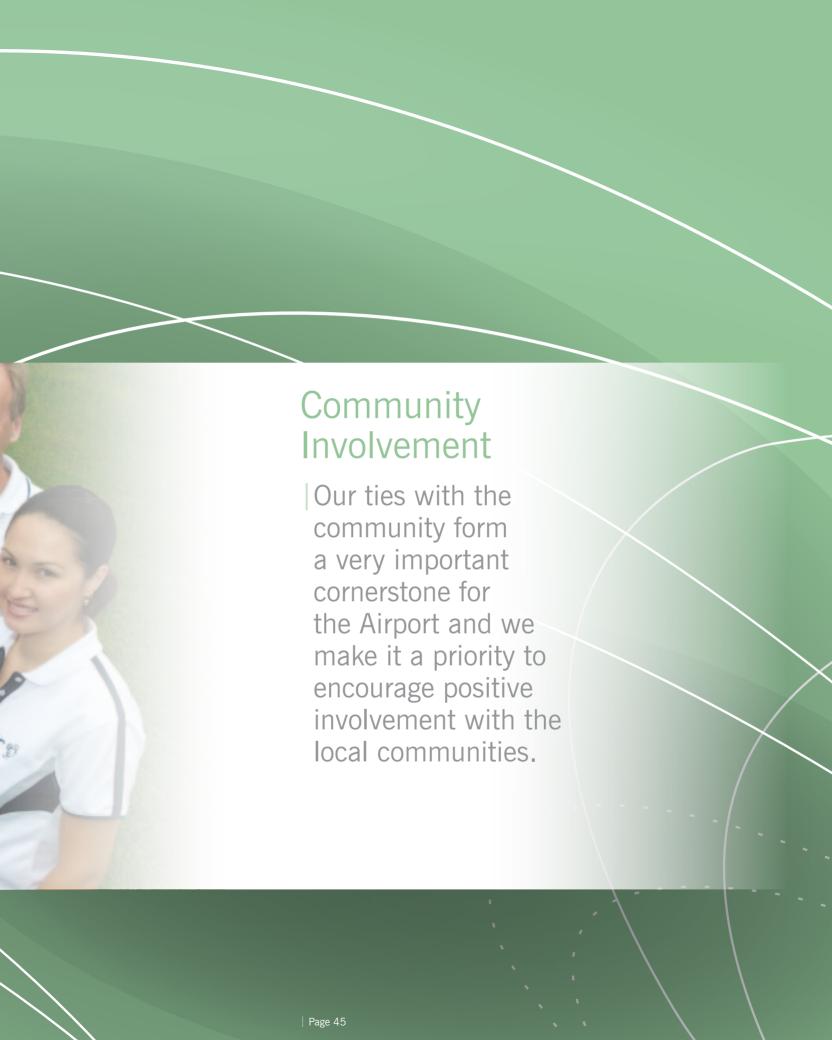
Both hotels were developed and are operated by prominent local businessman John (Foxy) Robinson who recognised the enormous potential of airport land when he began researching locations for a new hotel business. He discovered that airport hotels

have the highest occupancy rates due to their convenience for many busy travellers. Today, both of these hotels are nationally recognised as strong performers reaching year-round high occupancy levels.

Mr Robinson applauds the foresight and vision of Darwin International Airport and comments, "I have to say I admire their planning strengths – they are good to deal with, have a no nonsense approach and are achieving a lot for both Darwin and its northern suburbs.

I like what I see in their new Precinct Master Plan; it caters for a good, positive mix of new commercial business and has given me the confidence to begin planning my third accommodation facility on airport land."





Community Involvement

The Corporate Giving Committee, comprised of volunteer staff members from our three airports, continued to support Northern Territory charity and not-for-profit groups during the 2008/2009 financial year.

uring the 2008/2009 financial year, ADG committed \$40,000 in support of CanTeen, specifically for their first ever Darwin-based employee, a Regional Programs Officer. This role will focus on organising programs for Northern Territory members, provide support to young people living with cancer and spread the word about CanTeen to health professionals and potential new members.

CanTeen members are aged between 12 and 24 years and are living with cancer in some way, whether they have a sibling or parent who has cancer, or are a bereaved sibling or offspring.

ADG also provided support to Arthritis and Osteoporosis Northern Territory (AONT). With a small office based in Coconut Grove, this notfor-profit organisation acts as an informational/educational, support and advocacy point of contact for its members and others in the community of the Northern Territory. The funding provided by ADG facilitated the Build Strong Dense Bones community campaign throughout the dry season (May to October 2009) through stalls and community events.

The program distributed information on the management and prevention of the disease, as well as dairy products to help raise awareness of the importance of consuming calcium as a preventative measure.

An amount of \$5000 was donated to assist in supporting the St John's College Football Focus Program in Darwin. This program was piloted in 2004 using Aussie Rules as a vehicle to promote academic retention and success in school for young people. This program is now embedded into the curriculum at St John's and includes incentives, such as tours to the southern states. Cyril Rioli Jr (a player in the 2008 Hawthorn Premiership team) is a founding participant of the program.

Alice Springs Airport maintained its active contribution to community events with its sponsorship of the Desert Festival, the biennial Masters Games and its continuing involvement with Tourism Central Australia, the peak tourism body.

Golden Glow, an independent foundation which operates in the Northern Territory and provides accommodation to people from rural

areas who need to travel to the city to receive medical treatment, was the beneficiary of the 2008 Christmas tree donation drive at Darwin International Airport as well as a fundraising BBQ event.

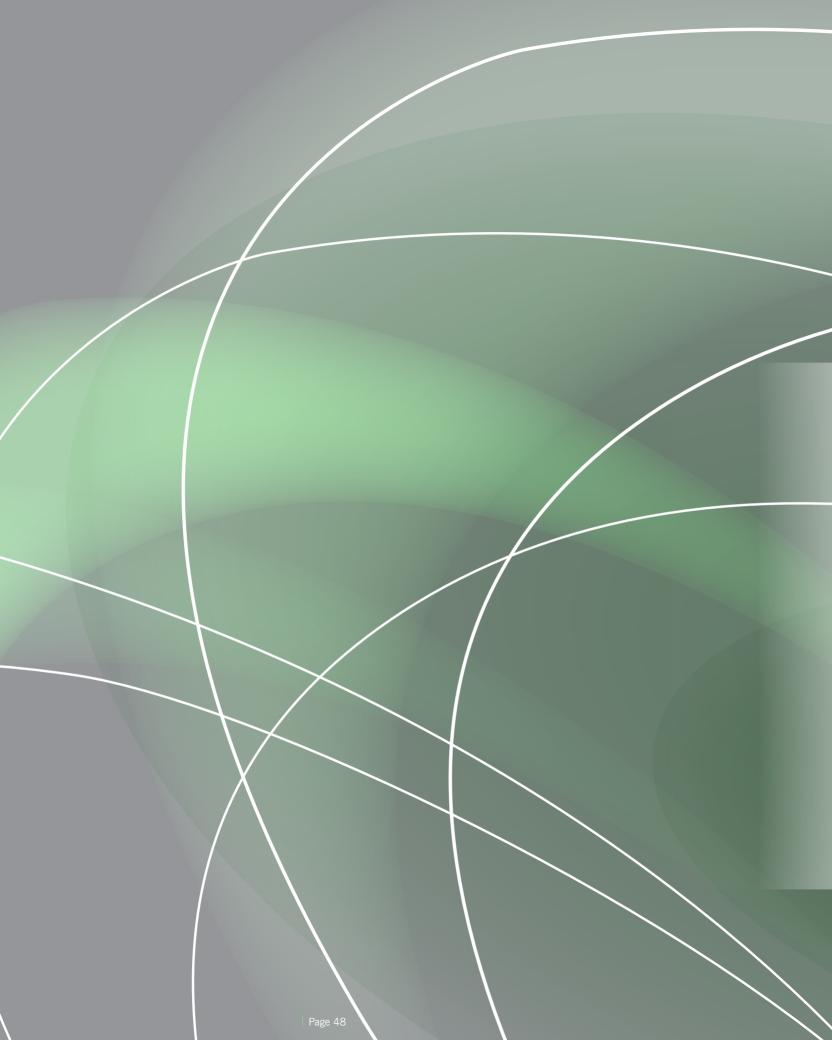
Staff were also involved in 2008's Movember event, with over \$3200 raised in support of men's health, specifically prostate cancer and male depression.

The staff at ADG, like most Australians, were incredibly moved by the plight of the Victorian bushfire victims in February 2009 and contributions of over \$4000 were raised by our staff to assist those affected. Staff in Darwin also coordinated groups to take part in blood donations to assist those in need.

The Committee also pledged donations of varying amounts to:

- The Darwin 13 years-and-under boys' basketball team which travelled to Vietnam to compete
- The Variety children's charity annual Bash
- Palmerston Kids Christmas Party
- Daffodil Day
- Pink Ribbon Day.





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DIRECTORS' REPORT

Your directors submit their report for the year ended 30 June 2009

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 27.

PRINCIPAL ACTIVITIES

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

No significant changes in the nature of these activities occurred during the year.

REVIEW OF OPERATIONS

The consolidated entity sustained an after-tax profit of \$25,890,753 for the reporting period ended 30 June 2009. This compares with the 2007-08 after-tax profit of \$22,602,622. Consolidated revenue, including unrealised gains on cash flow hedges and fair value adjustment on investment property, increased from \$82,686,309 to \$95,614,183 whilst total consolidated expenses including depreciation, finance costs and income tax increased from \$60,083,687 to \$69,723,430.

DIVIDENDS

ADGPL has paid fully franked dividends of \$14,580,000 during the year (2008: \$15,620,000 fully franked). No other dividends have been paid, declared or recommended during the year.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

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

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

There have been no events, which have arisen since the end of the financial year, which have significantly affected or may significantly affects

- (i) the operations of the consolidated entity and parent company;
- (ii) the results of those operations;
- (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 REGULATIONS

The company operates under the Airport (Environmental Protection) Regulations 1997 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 company, particularly in respect to 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 these 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 RAAC meets a minimum of four times per year and operates under a charter approved by the Board.

INSURANCE OF OFFICERS

The company has not, during or since the financial year, in respect to 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.

During the financial year the company has paid a premium to insure all directors and officers who are, or have been, directors and officers of the company and its controlled entities against certain liabilities they may incur in carrying out their duties for the company. The terms of the policy prohibit disclosure of the nature of the liabilities, the amount of insurance cover and the amount of the premium.

Directors as listed in Note 27 in this report are covered under this insurance policy. The officers of the company covered by the insurance include the directors, executive officers and employees.

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 company or a related body corporate with a director, a firm of which a director is a member or a company in which a director has a substantial financial interest.

Remuneration payable to directors of the company is outlined in Note 24.

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. ADGPL had 100% ownership of Northern Territory Airports Pty Ltd and Tennant Creek Airport Pty Ltd during the financial year.

EMPLOYEES

Airport Development Group Pty Ltd employed 75 employees as at 30 June 2009 (2008: 72 employees).

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 52.

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

Church Darley Director Director Place: Melbourne

Date: 2 OK FORRY 2009



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Auditor's Independence Declaration to the Directors of Airport Development Group Pty Ltd

In relation to our audit of the financial report of Airport Development Group Pty Ltd for the financial year ended 30 June 2009, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

Merit Partners

Ment Pakers

Matthew Kennon

Partner

Darwin

Date: 2/10/2009

Liability limited by a scheme approved under Professional Standards Legislation.

INCOME STATEMENT

For the financial year ended 30 June 2009

		CONSOLIDATED		COMP	ANY
	NOTE	2009 \$	2008 \$	2009 \$	2008 \$
Revenues from Continuing Operations	3(b)	71,619,012	64,749,097	10,948,529	12,473,869
Salaries and employee benefits		(7,251,109)	(7,158,915)	0	0
Maintenance expense		(2,993,977)	(4,044,961)	0	0
Security and passenger screening charges		(8,158,538)	(7,525,836)	0	0
Technical services agreement expense		0	(364,599)	0	0
Services and utilities expense		(5,191,002)	(4,690,274)	0	0
Other expenses		(7,053,867)	(4,749,447)	0	0
EBITDA*		40,970,519	36,215,065	10,948,529	12,473,869
Net gain on fair value of investment property	3(d)	02.647.001	16.022.201	0	0
Ohlo ani in a cons	2(a)	23,647,901	16,933,391	0	0
Other income	3(c)	347,270	1,003,821	0	0
Depreciation and amortisation expense	3(a)	(11,212,939)	(10,078,632)	0	0
Impairment expense – infrastructure assets		(2,320,849)	(283,877)	0	0
Finance costs	3(a)	(14,643,613)	(11,482,295)	0	0
Profit Before Income Tax Expense		36,788,289	32,307,473	10,948,529	12,473,869
Income tax expense	4	(10,897,536)	(9,704,851)	(3,284,559)	(3,742,165)
Profit Attributable to Members of the Company		25,890,753	22,602,622	7,663,970	8,731,704

^{*} EBITDA represents earnings before interest expense, tax, fair value adjustments on investment property, impairment losses, unrealised gains, depreciation and amortisation expense. The accompanying notes form part of these financial statements.

BALANCE SHEET

As at June 2009

		CONSOL	IDATED	COMPANY	
	NOTE	2009 \$	2008 \$	2009 \$	2008 \$
Current Assets					
Cash and cash equivalents	5	13,045,717	12,697,700	0	0
Trade and other receivables	6	8,424,800	8,344,040	0	0
Prepaid rent	7	65,880	65,880	0	0
Other financial assets	9	0	4,590,751	0	0
Other	8	309,363	182,216	0	0
Total Current Assets		21,845,760	25,880,587	0	0
Non-Current Assets					
Other financial assets	10	4,938,022	0	77,761,513	86,841,233
Prepaid rent	11	5,731,567	5,797,447	0	0
Investment properties	12	164,723,825	138,760,000	0	0
Investments	13	0	0	24	24
Infrastructure, plant and equipment	14	154,331,041	150,834,831	0	0
Other intangibles	15	15,260,204	15,436,920	0	0
Goodwill	16	13,963,732	13,963,732	0	0
Deferred tax assets	4	1,680,893	1,405,666	0	0
Total Non-Current Assets		360,629,284	326,198,596	77,761,537	86,841,257
Total Assets		382,475,044	352,079,183	77,761,537	86,841,257
Current Liabilities					
Trade and other payables	17	3,577,276	16,631,301	0	0
Borrowings	18	0	175,650,000	0	0
Provisions	19	2,113,483	1,748,029	0	0
Other financial liabilities	4	0	0	0	487,980
Income tax payable		1,192,305	2,868,015	1,192,305	2,868,015
Total Current Liabilities		6,883,064	196,897,345	1,192,305	3,355,995
Non-Current Liabilities					
Borrowings	20	203,205,105	0	0	0
Provisions	21	1,015,397	1,079,544	0	0
Deferred tax liabilities	4	53,361,678	47,403,247	0	0
Total Non-Current Liabilities		257,582,180	48,482,791	0	0
Total Liabilities		264,465,244	245,380,136	1,192,305	3,355,995
Net Assets		118,009,800	106,699,047	76,569,232	83,485,262
Equity					
Contributed equity	22	60,765,344	60,765,344	60,765,344	60,765,344
Retained profits		57,244,456	45,933,703	15,803,888	22,719,918
Total Equity		118,009,800	106,699,047	76,569,232	83,485,262

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

For the financial year ended 30 June 2009

	ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY					
COMPANY	CONTRIBUTED EQUITY \$	RETAINED PROFITS \$	TOTAL EQUITY \$			
Balance at 1 July 2007	60,765,344	29,608,215	90,373,559			
Profit for the period	0	8,731,704	8,731,704			
Total Recognised Income and Expense for the Period	0	8,731,704	8,731,704			
Dividends paid to equity holders	0	(15,620,000)	(15,620,000)			
Balance at 30 June 2008	60,765,344	22,719,918	83,485,262			
Profit for the period	0	7,663,970	7,663,970			
Total Recognised Income and Expense for the Period	0	7,663,970	7,663,970			
Dividends paid to equity holders	0	(14,580,000)	(14,580,000)			
Balance at 30 June 2009	60,765,344	15,803,888	76,569,232			

	ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY				
CONSOLIDATED	CONTRIBUTED EQUITY \$	RETAINED PROFITS \$	TOTAL EQUITY \$		
Balance at 1 July 2007	60,765,344	38,951,081	99,716,425		
Profit for the period	0	22,602,622	22,602,622		
Total Recognised Income and Expense for the Period	0	22,602,622	22,602,622		
Dividends paid to equity holders	0	(15,620,000)	(15,620,000)		
Balance at 30 June 2008	60,765,344	45,933,703	106,699,047		
Profit for the period	0	25,890,753	25,890,753		
Total Recognised Income and Expense for the Period	0	25,890,753	25,890,753		
Dividends paid to equity holders	0	(14,580,000)	(14,580,000)		
Balance at 30 June 2009	60,765,344	57,244,456	118,009,800		

The accompanying notes form part of these financial statements.

CASH FLOW STATEMENT

For the financial year ended 30 June 2009

		CONSO	LIDATED	COMPANY	
	NOTE	2009 \$	2008 \$	2009 \$	2008 \$
Cash Flows from Operating Activities					
Receipts from customers	77,241,960	68,927,343	0	0	
Payments to suppliers and employees		(37,060,808)	(32,346,853)	0	0
Interest received		856,230	868,367	10,948,528	12,473,869
Finance costs		(14,267,782)	(17,685,575)	0	0
Income tax paid		(6,890,041)	(5,779,171)	(6,890,041)	(5,779,171)
Goods and Services Tax paid		(2,945,960)	(1,752,004)	0	0
Net Cash Flows from Operating Activities	28	16,933,599	12,232,107	4,058,487	6,694,698
Cash Flows from Investing Activities					
Acquisition of infrastructure, plant and equipment		(29,087,605)	(17,186,075)	0	0
Proceeds from sale of plant and equipment		85,797	79,245	0	0
Advances from related parties		0	0	10,521,514	8,925,302
Net Cash Flows (used in)/from Investing Activities		(29,001,808)	(17,106,830)	10,521,514	8,925,302
Cash Flows from Financing Activities					
Proceeds from borrowings		226,910,950	16,700,000	0	0
Repayment of borrowings		(196,560,950)	0	0	0
Re-finance costs		(3,353,773)	0	0	0
Dividends paid		(14,580,000)	(15,620,000)	(14,580,000)	(15,620,000)
Net Cash Flows from/(used in) Financing Activities		12,416,227	1,080,000	(14,580,000)	(15,620,000)
N		240.017	(2.704.702)		
Net Increase/(Decrease) in cash held		348,017	(3,794,723)	0	0
Cash at beginning of the financial year		12,697,700	16,492,423	0	0
Cash at End of the Financial Year	28	13,045,717	12,697,700	0	0

The accompanying notes form part of these financial statements.

For the year ended 30 June 2009

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Corporate Information

The financial report of ADGPL for the year ended 30 June 2009 was authorised for issue in accordance with a resolution of the directors on 2 October 2009.

The financial report covers the consolidated group of ADGPL and controlled entities and ADGPL as an individual parent company. ADGPL is a company limited by shares that is incorporated and domiciled in Australia.

The registered office and principal place of business is 1 Fenton Court Marrara NT 0812. The companies that it had 100% ownership of during the financial year are Northern Territory Airports Pty Ltd and Tennant Creek Airport Pty Ltd.

(b) Basis of Preparation

The financial report is a general purpose financial report prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board.

The financial report complies with Australian Accounting Standards and International Financial Reporting Standards (IFRS).

The financial report has been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments which have been measured at fair value.

The financial report is presented in Australian dollars and all values are presented to the nearest dollar (amounts have not been rounded unless otherwise stated).

Estimates and Judgements

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts in the financial statements. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of Australian Accounting Standards that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next year, are disclosed, where applicable, in the relevant notes to the financial statements.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2009 and the comparative information presented in these financial statements for the year ended 30 June 2008.

(c) Income Tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the current period's taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the taxable temporary differences are associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the
 reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

For the year ended 30 June 2009

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the deductible temporary difference is associated with investments in subsidiaries, associates and interest in joint ventures, in which case a deferred tax asset
 is only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against
 which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that the future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantially enacted at the balance sheet date.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

Tax Consolidation

ADPGL and its 100% owned Australian resident subsidiaries have formed a consolidated group with effect from 1 July 2003. ADGPL is the head entity of the tax consolidated group. Members of the group have entered into a tax sharing arrangement in order to allocate income tax expense to the wholly owned subsidiaries on a pro-rata basis. In addition the arrangement provides for the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. At the balance date, the possibility of default is remote.

Tax Effect Accounting by Members of the Tax Consolidated Group

Members of the tax consolidated group have entered into a tax funding arrangement. The tax funding arrangement provides for the allocation of current taxes to members of the tax consolidated group in accordance with their accounting profit for the period, while deferred taxes are allocated to members of the tax consolidated group in accordance with the principles of AASB 112 Income Taxes. Allocations under the tax funding arrangement are made at the end of each year.

The allocation of taxes under the tax funding arrangement is recognised as an increase/decrease in the subsidiaries inter-company accounts with the tax consolidated group head company, ADGPL. Because under *UIG 1052 Tax Consolidated Accounting* the allocation of current taxes to tax consolidated group members on the basis of accounting profits is not an acceptable method of allocation given the group's circumstances, the difference between the current tax amount that is allocated under the tax funding arrangement and the amount that is allocated under an acceptable method is recognised as contribution/distribution of subsidiaries' equity accounts. The group has applied the Stand-Alone Taxpayer allocation approach in determining the appropriate amount of current taxes to allocate to the members of the tax consolidated group.

In preparing the accounts for ADGPL and its 100% owned Australian resident subsidiaries there were no amounts recognised as tax consolidation contribution adjustments.

(d) 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, monetary assets and liabilities in foreign currencies are translated into 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.

(e) Revenue Recognition

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

For the year ended 30 June 2009

Aeronautical Charges

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 charges levied on a per passenger basis in respect to government-mandated security measures.

Aeronautical revenue is recognised in the period during which passengers and aircraft physically arrive at the airport.

Trading Income

Trading income comprises concessionaire rent, overages, and other charges received including income from public car parks. Income from concessionaire overages is recognised in the period in which the sales to which it relates arises. Other rentals are recognised in the period to which the rental relates according to the lease documentation.

Income from public carparks is recognised on a cash basis.

Property Income

Property income comprises income from company-owned terminals, buildings and other leased areas. Lease income is recognised on a straight-line basis over the term of the lease.

Interest Income

Revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

(f) Trade and Other Receivables

Trade receivables, which generally have 30- to 60-day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for impairment.

Collectability of trade receivables is reviewed on an ongoing basis at an operating level. Individual debts that are known to be uncollectible are written off when identified. An impairment provision is recognised when there is objective evidence that the consolidated entity will not be able to collect the receivables. Financial difficulties of the debtor, default payments or debts more than 90 days overdue, are considered objective evidence of impairment. The amount of the impairment loss is the receivable carrying amount compared to the present value of estimated future cash flows, discounted at the original effective rate.

(g) 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. Borrowing costs relating to qualifying assets are not capitalised as part of the cost of the asset.

(h) Impairment of Non-Financial Assets other than Goodwill

At each reporting date the company reviews the carrying amounts of its non-financial assets other than goodwill to determine whether there is any indication that those assets have suffered an impairment loss. If such an indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in the income statement immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the

For the year ended 30 June 2009

asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in the income statement immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

(i) Infrastructure, Plant and Equipment

(I) Cost and Valuation

The cost base assigned to infrastructure assets and plant and equipment is set out in Note 14.

(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 the consolidated entity.

Depreciation and amortisation rates used are as follows:

	2009	2008
Runways, Taxiways and Aprons	2.5% - 15.0%	2.5% - 10.0%
Roads and Carparks	2.5% - 20.0%	2.5% - 20.0%
Fences and Gates	5.0% - 33.0%	5.0% - 12.0%
Lighting and Visual Aids	5.0% -10.0%	5.0% -10.0%
Passenger Terminal	2.13% - 33.3%	2.13% - 33.3%
Buildings	2.13% - 15.0%	2.13% - 15.0%
Plant and Equipment	2.5% - 33.3%	2.5% - 33.3%
Vehicles	8.33% - 20.0%	15.0% - 20.0%
Computer Equipment	4.0% - 33.3%	10.0% - 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.

(iv) Derecognition and Disposal

An item of infrastructure, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement in the year the asset is derecognised.

(j) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, is transferred to the company, are classified as finance leases.

Finance leases are capitalised at the inception of the lease by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period. Lease interest expenses are recognised as an expense in profit or loss.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the company will obtain ownership of the asset over the term of the lease.

Lease payments for operating leases (other than prepaid rent – refer Note 1(k)), where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred on a straight-line basis over the lease term.

For the year ended 30 June 2009

(k) Prepaid Rent

The company leases airport land from the Commonwealth of Australia, a portion of which is classified as a prepaid operating lease. The balance of the leased land is classified as Investment Properties (refer Note 1(I)).

Upfront payments for operational land under lease from the Commonwealth of Australia are recognised as Prepaid Rent and the gross value is amortised over the period of the lease (including the option to renew) on a straight-line basis.

(I) Investment Properties

Investment property, principally comprising of land, buildings and fixed plant and equipment, is held for long-term rental yields and is not occupied by the company. The property interest held by the company in land and buildings is by way of an operating lease. The company has classified certain areas of land and buildings as being investment property being held by the company only to earn rentals and not for being held for the use of supplying aeronautical services or administrative services.

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met, and excludes the costs of the day-to-day servicing of an investment property. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the balance sheet date. Gains or losses arising from changes in the fair values of investment properties are recognised in the income statement in the year in which they arise.

Investment properties are derecognised either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement of an investment property are recognised in the income statement in the year of retirement or disposal.

Transfers are made to investment property when, and only when, there is a change in use, evidenced by ending of owner-occupation, commencement of an operating lease to another party or ending of construction of development. Transfers are made from investment property when, and only when, there is a change in use, evidenced by commencement of owner-occupation or commencement of development with a view to sale.

For a transfer from investment property to owner-occupied property or inventories, the deemed cost of the property for subsequent accounting is its fair value at the date of change in use. If the property occupied by the company as an owner-occupied property becomes an investment property, the company accounts for such property in accordance with the policy stated under Infrastructure, Plant and Equipment (Note 1(i)) up to the date of change in use. For a transfer from inventories to investment property, any difference between the fair value of the property at that date and its previous carrying amount is recognised in the income statement. When the company completes the construction or development of a self-constructed investment property, any difference between the fair value of the property at that date and its previous carrying amount is recognised in the income statement.

(m) Goodwill

Goodwill, representing the excess of the cost of acquisition over the fair value of the identifiable assets, liabilities and contingent liabilities acquired, is recognised as an asset and not amortised, but tested for impairment annually and whenever there is an indication that the goodwill may be impaired. Any impairment is recognised immediately in the income statement and not subsequently reversed.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the company's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units or group of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units), to which the goodwill relates.

When the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. When goodwill forms part of a cash-generating unit (group of cash-generating units) and an operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this manner is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Impairment losses recognised for goodwill are not subsequently reversed.

(n) Intangible Assets

Lease Premium

The lease premium was paid on the acquisition of the airport leases from the Federal Government and is recorded at cost less accumulated amortisation and impairment. Amortisation is charged in the income statement and calculated on a straight-line basis over the estimated useful life of the lease, being 99 years. The estimated useful life and amortisation method are reviewed at the end of each annual reporting period.

For the year ended 30 June 2009

Computer Software

Computer software assets are initially measured at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation is charged in the income statement and calculated on a straight-line basis over the estimated useful life of the software. The estimated useful life and amortisation method are reviewed at the end of each annual reporting period. The amortisation rate used was 33.33% - 40% straight-line (2008 – 33.33%).

Impairment of Intangible Assets

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level consistent with the methodology outlined for goodwill in Note 1(m). Such intangibles are not amortised. The useful life of an intangible asset with an indefinite life is reviewed each reporting period to determine whether indefinite life assessment continues to be supportable. If not, the change in useful life assessment from indefinite to finite is accounted for as a change in accounting estimate and is thus accounted for on a prospective basis.

Derecognition of Intangible Assets

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

(o) Trade and Other Payables

Trade and other payables are carried at amortised cost and due to their short-term nature they are not discounted. They represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year that are unpaid and arise when the consolidated entity becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

(p) Provisions

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability.

When discounting is used, the increase in the provision due to the passage of time is recognised as a borrowing cost.

(q) Interest-Bearing Loans and Borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless the consolidated entity has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

The finance costs incurred in acquiring the borrowings (establishment costs) are offset against the principal liability and expensed over the term to maturity of the debt using an effective interest rate basis.

(r) Derivative Financial Instruments

The consolidated entity has entered into interest rate swap agreements to economically hedge its exposure to interest rate risk. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and subsequently measured at fair value. Hedge accounting is not applied and, as such these instruments are classified as held for trading as required by AASB 139 Financial Instruments: Recognition and Measurement.

Further details of derivative financial instruments are disclosed in Note 2 to the financial statements.

(s) Financial Assets

Financial assets are categorised as either financial assets at fair value through the profit and loss or loans and receivables. The classification depends on the purpose for which the financial asset was acquired.

Financial assets are recognised and derecognised upon trade date. When financial assets are recognised initially, they are measured at fair value. In the case of assets not at fair value through profit and loss, directly attributable transaction costs are taken into account.

For the year ended 30 June 2009

Financial assets are derecognised when the contractual rights to the cash flow from the financial assets expire or the asset is transferred to another company. In the case of transfer to another company, it is necessary that the risks and rewards of ownership are also transferred.

Financial Assets at Fair Value through Profit and Loss

Financial assets at fair value through profit and loss include derivatives held by the consolidated entity, which comprise interest rate swap arrangements.

Loans and Receivables

Financial instruments designated as loans and receivables are bank and other securities, short-term deposits with major banks, trade and other receivables.

Additional disclosures in relation to financial instruments are provided in Note 2.

(t) Impairment of Financial Assets

Financial assets are assessed for impairment at each balance date.

Loans and Receivables

If there is objective evidence that an impairment loss has been incurred for financial assets held at amortised cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount is reduced by way of an allowance account. The loss is recognised in the Income Statement.

(u) Fair Value Estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or disclosure purposes.

Due to the short-term nature of cash, trade and other receivables and trade and other payables, their carrying amount is assumed to approximate their fair value. The carrying amount of borrowings approximates their fair value.

Unless otherwise noted, the directors consider that the carrying amount of other financial assets and other financial liabilities recorded in the financial statements approximates their fair values (2008: net fair value).

The fair values and net fair values of financial assets and financial liabilities are determined as follows:

- the fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices;
- the fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis:
- the fair value of interest rate swaps is calculated with reference to market values at the reporting date;
- transaction costs are included in the determination of net fair value.

(v) Maintenance and Repairs

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

(w) 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 to 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. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

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.

For the year ended 30 June 2009

Superannuation Commitments

ADGPL contributes to superannuation for all its employees with Australian Super Superannuation Fund as the default fund.

Australian Super is a complying fund under the Commonwealth Superannuation Law. It is an accumulation fund and contributions by ADGPL satisfy the company's superannuation guarantee obligation for its employees.

(x) Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank, cash in hand, and short-term deposits with an original maturity of three months or less, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts (if any). Bank overdrafts (if any) are included within interest-bearing loans and borrowings in current liabilities on the balance sheet.

(y) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST 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.

(z) Contributed Equity

Ordinary shares are classified as equity. Issued and paid-up capital is recognised at the face value of the consideration received by the company.

Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

(aa) Basis of Consolidation

The consolidated financial statements comprise the financial statements of ADGPL and its subsidiaries. A list of subsidiaries appears in Note 29 to the financial statements.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full.

Subsidiary entities are fully consolidated from the date on which control is obtained by the company and cease to be consolidated from the date on which control is transferred out of the company.

Investments in subsidiaries held by ADGPL are accounted for at cost in the separate financial statements of the parent company less any impairment charges.

On acquisition, the assets, liabilities and contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired exceed the cost of acquisition, the deficiency is credited to profit and loss in the period of acquisition.

(bb) New Accounting Standards and Interpretations

In the current year the consolidated entity has adopted all the new and revised standards and interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for the current annual reporting period. These did not result in any material financial impact on the financial statements of the consolidated entity.

The consolidated entity has elected to early adopt AASB 8 Operating Segments and accordingly segment information has not been disclosed.

For the year ended 30 June 2009

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the company for the financial reporting period ended 30 June 2009. These are outlined in the table below:

TITLE	SUMMARY	IMPACT ON CONSOLIDATED ENTITY FINANCIAL REPORT	APPLICATION DATE OF STANDARD	APPLICATION DATE FOR COMPANY
AASB123 (Revised) and AASB2007-6 Borrowing Costs and consequential amendments to other Australian Accounting Standards	The amendments to AASB123 require that all borrowing costs associated with a qualifying asset be capitalised.	The consolidated entity is expected to construct qualifying assets in the future. The consolidated entity currently expenses borrowing costs as they are incurred and therefore application of this standard will result in a change in accounting policy in the future. As the standard will apply prospectively to all qualifying assets constructed after the application date the impact, if any, on amounts in the financial report will be determined at that time.	1 January 2009	1 July 2009
AASB101 (Revised) and AASB2007-8 Presentation of Financial Statements and consequential amendments to other Australian Accounting Standards	Introduces a statement of comprehensive income. Other revisions include impacts on the presentation of items in the statement of changes in equity, new presentation requirements for restatement or reclassification of items in the financial statements, changes in the presentation requirements for dividends and changes to the titles of the financial statements.	These amendments are only expected to affect the presentation of the consolidated entity's financial report and will not have a direct impact on the measurement and recognition of amounts disclosed in the financial report. Management is yet to assess the impact, if any, of this standard on the Financial Reports.	1 January 2009	1 July 2009
AASB 3 (Revised) Business Combinations	The revised standard introduces a number of changes to the accounting for business combination, the most significant of which allows entities a choice for each business combination entered into. Changes apply prospectively for all business combinations finalised after 1 July 2009.	Management is yet to assess the impact, if any, of this standard on the Financial Reports.	1 July 2009	1 July 2009
AASB 127 Consolidated and Separate Financial Statements	Under the revised standard, a change in the ownership interest of a subsidiary (that does not result in loss of control) will be accounted for as an equity transaction.	Management is yet to assess the impact, if any, of this standard on the Financial Reports.	1 July 2009	1 July 2009
AASB2008-3 Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127	Amending standard issued as a consequence of revisions to AASB 3 and AASB 127.	Management is yet to assess the impact, if any, of this standard on the Financial Reports.	1 July 2009	1 July 2009
AASB2008-5 Amendments to Australian Accounting Standards arising from the Annual Improvements Project	The improvements project is an annual project that provides a mechanism for making non-urgent, but necessary, amendments to IFRS. The amendments result in accounting changes for presentation, recognition or measurement purposes and terminology or editorial amendments that will have either no or minimal effects on accounting practices.	Management is yet to assess the impact, if any, of this standard on the Financial Reports. Retrospective application will be required where appropriate.	1 January 2009	1 July 2009

For the year ended 30 June 2009

TITLE	SUMMARY	IMPACT ON CONSOLIDATED ENTITY FINANCIAL REPORT	APPLICATION DATE OF STANDARD	APPLICATION DATE FOR COMPANY
AASB2008-6 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project	Refer to AASB2008-5 above.	Refer to AASB2008-5 above.	1 July 2009	1 July 2009
AASB 127 Consolidated and Separate Financial Statements	Under the revised standard, a change in the ownership interest of a subsidiary (that does not result in loss of control) will be accounted for as an equity transaction.	Management is yet to assess the impact, if any, of this standard on the Financial Reports.	1 July 2009	1 July 2009
AASB2008-7 Amendments to Australian Accounting Standards – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	The main amendments of relevance are those made to AASB 127 deleting the 'cost method' and requiring all dividends from a subsidiary, jointly controlled entity or associate to be recognised in profit or loss in a company's separate financial statements (i.e. parent company accounts). The distinction between pre- and post-acquisition profits is no longer required. However, the payment of such dividends requires the company to consider whether there is an indicator of impairment. AASB 127 has also been amended to effectively allow the cost of an investment in a subsidiary, in limited reorganisations, to be based on the previous carrying amount of the subsidiary rather than its fair value.	Management is yet to assess the impact, if any, of this standard on the Financial Reports.	1 January 2009	1 July 2009
AASB2009-2 Amendments to Australian Accounting Standards – Improving Disclosures about Financial Instruments (April 2009)	The amended IFRS7 Financial Instruments: Disclosures requires fair value measurements to be disclosed by the source of the inputs using a three-level hierarchy: - Quoted prices in active markets for identical assets or liabilities (Level 1); - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2); - Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).	Management is yet to assess the impact, if any, of this standard on the Financial Reports.	1 January 2009	1 July 2009
AASB2009-4 Amendments to Australian Accounting Standards arising from the Annual Improvements Process (May 2009)	Refer to AASB2008-5 above.	Refer to AASB2008-5 above.	1 July 2009	1 July 2009

For the year ended 30 June 2009

TITLE	SUMMARY	IMPACT ON CONSOLIDATED ENTITY FINANCIAL REPORT	APPLICATION DATE OF STANDARD	APPLICATION DATE FOR COMPANY
AASB Interpretation 15 Agreements for the Construction of Real Estate	This interpretation requires that when the real estate developer is providing construction services to the buyer's specifications, revenue can be recorded only as construction progresses. Otherwise revenue should be recognised on completion of the relevant real estate unit.	Management does not believe this interpretation applies to the consolidated entity as it is not in the business of constructing real estate for sale. As such this interpretation is not expected to have any impact on the Financial Reports.	1 January 2009	1 July 2009
AASB Interpretation 18 Transfer of Assets from Customers	This interpretation provides guidance on the transfer of assets such as items of property, plant and equipment or transfers of cash received from customers. It requires a transferred asset (which is controlled by the entity) to recognise that asset at fair value. It also requires revenue from ongoing access to goods/services to be recognised over the period that access is provided and revenue from connection to a network to be recognised when the connection to the network is completed.	Management is yet to assess the impact of this standard on the Financial Reports. However, management does not believe it currently applies to the consolidated entity.	Applies prospectively to transfer of assets from customers received on or after 1 July 2009	1 July 2009

Other than the matters noted above, the directors anticipate that the adoption of these standards and interpretations in future periods will have no material financial impact on the financial statements of the consolidated entity. These standards and interpretations will be first applied in the financial report of the consolidated entity that relates to the annual reporting period beginning after the effective date of each pronouncement.

NOTE 2. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The consolidated entity's principal financial instruments comprise receivables, payables, bank loans, an overdraft, cash and derivatives. The main risks arising from the consolidated entity's financial instruments are interest rate risk, credit risk and liquidity risk.

Northern Territory Airports Pty Ltd (NTAPL) manages the financial risks relating to the operations of the consolidated entity and its subsidiary companies.

Primary responsibility for identification and control of financial risk rests with the Risk and Audit Committee under the authority of the Board. The Board reviews and agrees policies for managing of risks identified below including interest rate risk and future cash flow projections.

The consolidated entity manages its exposure to key financial risks, such as interest rate risk, in accordance with the consolidated entity's financial risk management policy. The objective of the policy is to support the delivery of the consolidated entity's financial targets and protect future financial security.

Credit risk is managed by using ageing analyses and monitoring specific credit allowances. Liquidity risk is managed through the monitoring of outstanding debtors, management of creditor payments and the use of a financial model.

The consolidated entity does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes. The use of financial derivatives is governed by the policies approved by the board of directors. Compliance with policies and exposure limits is reviewed by management on a continuous basis.

Capital Risk Management

The consolidated entity's objective when managing its capital structure, being the nature and amount of debt and equity is to promote financial stability and transparency to its key stakeholders and to maintain high standards of corporate governance. A fundamental tenant of this approach is the adoption of specific policies and procedures promoting ongoing financial discipline in the treasury function, including the areas of shareholder distribution and financial leverage.

In order to maintain or adjust the capital structure, ADGPL has adjusted shareholder distributions to allow for working capital, investment and expansion requirements, while prudently considering the market influences on ADGPL's business.

For the year ended 30 June 2009

ADGPL monitors the capital structure by actively managing gearing levels, taking into consideration general business objectives, capital expenditure requirements and other relevant interests, including the maintenance of an appropriate level of financial liability.

The consolidated entity aims to maintain a leverage ratio below 70% (2008: 75%). The leverage ratio is defined as the ratio of senior debt to enterprise value. Actual leverage ratio at 30 June 2009 was 45% (2008: 40%).

Under its security trust deed ADGPL is not permitted to make any distributions to its shareholders if the interest coverage ratio is below 1.4 times.

Risk Exposures and Responses

Interest Rate Risk

The consolidated entity's exposure to market interest rates relates to long-term debt obligations. The level of debt is disclosed in Note 20.

At balance date, the consolidated entity had the following mix of financial assets and liabilities exposed to Australian variable interest rate risk:

	CONSO	LIDATED	COMPANY	
	2009 \$	2008 \$	2009 \$	2008 \$
Financial Assets				
Cash	13,045,717	12,967,700	0	0
	13,045,717	12,967,700	0	0
Financial Liabilities				
Bank loans	206,000,000	175,650,000	0	0
Accrued interest	234,832	417,877	0	0
	206,234,832	176,067,877	0	0
Net exposure	219,280,549	188,765,577	0	0

The consolidated entity's policy is to manage its cash flow volatility arising from interest rate changes by entering into interest rate swaps. By doing this the consolidated entity agrees to exchange, at specific intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount. The fair value of interest rate swaps are based on market values at the reporting date as disclosed below.

The following table details the notional principal amounts and remaining terms of the interest rate swap contract outstanding as at reporting date. At balance date the consolidated entity had the following interest rate swap agreements (pay fixed, receive floating) in place:

NOTIONAL	PRINCIPAL	RECEIVE INTERES	T RATE (FLOATING)	PAY INTERES	Γ RATE (FIXED)	FAIR	VALUE	MATURITY
2009 \$	2008 \$	2009 %	2008 %	2009 %	2008 %	2009 \$	2008 \$	
0	46,000,000		BBSW		7.85%	0	0	10 Sep 2008
0	10,000,000		BBSW		7.95%	0	(248)	10 Sep 2008
110,434,581	40,217,287	BBSY	BBSW	6.02%	6.02%	(3,557,372)	4,590,999	10 Jan 2011
16,937,829	0	BBSY		4.63%		2,761,003	0	6 Jan 2014
16,937,829	0	BBSY		4.63%		2,761,003	0	6 Jan 2014
13,029,099	0	BBSW		4.63%		2,123,849	0	6 Jan 2014
5,211,640	0	BBSY		4.63%		849,539	0	6 Jan 2014

Interest rate swap contracts with a fair value of \$4,938,022 (2008: \$4,590,751) are exposed to fair value movements if interest rates change.

At 30 June 2009, approximately 79% (2008: 54%) of the consolidated entity's borrowings is covered by an interest rate swap.

The consolidated entity regularly monitors its interest rate exposure and consideration is given to the adjustment of the interest rates swaps in place.

For the year ended 30 June 2009

Sensitivity Analysis

The following sensitivity analysis is based on the variable interest rate exposures in existence at the balance sheet date. A sensitivity of +100 basis points and -50 basis points has been selected as an estimation for reasonably possible changes in the variable interest rate risk. This is considered reasonable in the current economic climate with evidence indicating the global economy is stabilising and sentiment from the Reserve Bank's monetary policy supporting this.

At balance sheet reporting date, if interest rates had moved as illustrated in the table below, with all other variables held constant, post-tax profit and equity of the consolidated entity would have been affected as follows:

Judgements of reasonably possible movements:

	POST-TAX PROFIT HIGHER/(LOWER)		EQUITY HIGHER/(LOWER)	
CONSOLIDATED ENTITY	2009 \$	2008 \$	2009 \$	2008 \$
+1.00% (100 basis points)	6,880,356	(1,108,540)	6,880,356	(1,108,540)
- 0.50% (50 basis points)	(4,610,735)	554,270	(4,610,735)	554,270

Price Risk

The consolidated entity has no exposure to equity securities price risk.

Credit Risk

Credit risk arises from the financial assets of the consolidated entity, which comprises cash and cash equivalents and trade and other receivables. The consolidated entity's exposure to credit risk arises from potential default of the counter party, with a maximum exposure equal to the carrying amount of these instruments. Exposure at balance date is addressed in each applicable note. The consolidated entity does not hold any credit derivatives to offset its credit exposure.

Where possible the consolidated entity trades with recognised, creditworthy third parties, and it is not the consolidated entity's policy to securitise its trade and other receivables. It is normal practice to receive a rental security bond or bank guarantee from tenants entering into long-term rental contracts. Receivable balances are monitored on an ongoing basis with the result that the consolidated entity's exposure to bad debts is not significant.

There is significant concentration of credit risk within the consolidated entity due to the limited number of airlines using the Airport. Receivable balances are monitored on an ongoing basis and prompt collection action taken to minimise the exposure to the concentration of credit risk.

At balance sheet date the credit risk concentrations of financial assets by sector, net of any applicable allowances for loss and excluding derivative financial instruments and cash at bank, were as follows:

	CONSO	LIDATED	CONSOLIDATED	
CREDIT RISK CONCENTRATIONS	2009 %	2009 \$	2008 %	2008 \$
Aeronautical debtors	82.5	6,011,318	75.9	6,151,902
Property debtors	17.3	1,260,478	16.5	1,341,354
Other trade debtors	(0.1)	(5,539)	5.4	435,824
Other receivables	0.3	19,834	2.2	180,581
	100.0	7,286,091	100.0	8,109,661

Liquidity Risk

Liquidity risk arises from the financial liabilities of the consolidated entity and the consolidated entity's subsequent ability to meet its obligations to repay its financial liabilities as and when they fall due.

The consolidated entity's objective is to maintain a balance between continuity of funding and flexibility through the use of operational cash flow, bank loans and an overdraft facility. The consolidated entity negotiates bank loans on the most favourable terms available at the time. At 30 June 2009 0% (2008: 100%) of the consolidated entity's debt will mature within the next twelve months.

For the year ended 30 June 2009

The table below reflects all contractually fixed pay-offs for settlement, repayments and interest resulting from recognised financial liabilities including net derivative financial instruments as at 30 June 2009. For net settled derivative financial instruments the market value is presented, whereas for the other obligations the respective undiscounted cash flows for the respective upcoming fiscal year are presented. Cash flows for financial liabilities are based on the conditions existing at 30 June 2009.

The remaining contractual maturities of the consolidated entity's financial liabilities are:

	<6 MONTHS \$	6-12 MONTHS \$	1-5 YEARS \$	>5 YEARS \$	TOTAL \$
Year ended 30 June 09					
Consolidated Financial Liabilities					
Trade and other payables	3,577,276	0	0	0	3,577,276
Interest-bearing loans	7,123,875	7,007,725	227,487,775	0	241,619,375
Derivatives	587,285	580,606	(782,006)	0	385,885
	11,288,436	7,588,331	226,705,769	0	245,582,536
Year ended 30 June 09					
Company Financial Liabilities					
Trade and other payables	0	0	0	0	0
Interest-bearing loans	0	0	0	0	0
Interest on loans	0	0	0	0	0
	0	0	0	0	0
Year ended 30 June 08					
Consolidated Financial Liabilities					
Trade and other payables	16,631,301	0	0	0	16,631,301
Interest-bearing loans	0	175,650,000	0	0	175,650,000
Interest on loans	6,702,130	0	0	0	6,702,130
	23,333,431	175,650,000	0	0	198,983,431
V					
Year ended 30 June 08					
Company Financial Liabilities					
Trade and other payables	0	0	0	0	0
Interest-bearing loans	0	0	0	0	0
Interest on loans	0	0	0	0	0
	0	0	0	0	0

At balance date, the consolidated entity has approximately \$41 million (2008: \$48.05 million) of unused credit facilities available for its immediate use.

	CONSOL	IDATED	COMPANY		
	2009 \$	2008 \$	2009 \$	2008 \$	
NOTE 3. REVENUES AND EXPENSES					
(a) Expenses					
Interest					
- Interest costs on external borrowings	12,573,273	12,916,108	0	0	
- Interest costs on swap transactions	1,060,528	(1,812,240)	0	0	
- Amortisation of borrowing expenses	558,877	273,101	0	0	
- Other borrowing expenses	450,935	105,326	0	0	
Total finance costs	14,643,613	11,482,295	0	0	
Depreciation					
- Plant and equipment	652,335	608,101	0	0	
- Infrastructure assets	9,888,120	8,917,320	0	0	
	10,540,455	9,525,421	0	0	
Amortisation					
- Lease premium	168,454	168,454	0	0	
- Prepaid rent	65,880	65,880	0	0	
- Software	438,150	318,877	0	0	
	672,484	553,211	0	0	
Total depreciation and amortisation	11,212,939	10,078,632	0	0	
Net impairment loss expense – infrastructure assets	2,320,849	283,877	0	0	
Allowance for impairment loss expense – loans and receivables	137,259	(513,064)	0	0	
Superannuation contributions – defined contribution plan	790,445	669,393	0	0	
(Profit)/loss on disposal of plant and equipment	(31,021)	1,249,401	0	0	
(b) Revenue from Continuing Operations					
Rendering of Services					
- Aeronautical charges	47,815,592	44,870,522	0	0	
- Trading income	10,656,253	8,050,177	0	0	
- Property income	8,929,576	7,787,286	0	0	
- Other	3,330,340	3,093,500	0	0	
Total	70,731,761	63,801,485	0	0	

	CONSOL	IDATED	COMPANY		
	2009 \$	2008 \$	2009 \$	2008 \$	
Other Revenue					
- Interest	856,230	868,367	10,948,529	12,473,869	
- Profit on sale of non-current assets	31,021	79,245	0	0	
Total Revenue from Continuing Operations	71,619,012	64,749,097	10,948,529	12,473,869	
(c) Other Income					
Net gain on interest rate swap contracts	347,270	1,003,821	0	0	
(d) Net Gain on Fair Value Adjustment of Investment Property	23,647,901	16,933,391	0	0	
NOTE 4. INCOME TAX					
Income Statement					
Current Income Tax					
Current tax expense	5,218,986	6,261,285	3,284,559	3,742,161	
Adjustments in respect of current income tax of previous years	(4,654)	4	0	4	
Deferred Income Tax					
Deferred tax expense relating to the origination and reversal of temporary differences	5,683,204	3,443,202	0	0	
Under provision of previous years	0	360	0	0	
Income tax expense reported in the income statement	10,897,536	9,704,851	3,284,559	3,742,165	
A reconciliation between the tax expense and the product of accounting profit before income tax multiplied by the company's applicable income tax rate is as follows:					
Accounting profit before income tax	36,788,289	32,307,473	10,948,529	12,473,869	
Prima facie tax at 30%	11,036,487	9,692,241	3,284,559	3,742,161	
Adjustments in respect of current income tax of previous years	(4,654)	4	0	4	
Capital allowances	(50,670)	0	0	0	
Expenditure not allowable for income tax purposes	10,989	12,246	0	0	
Under provision of previous years	0	360	0	0	
Other	(94,616)	0	0	0	
Income tax expense reported in the income statement	10,897,536	9,704,851	3,284,559	3,742,165	

For the year ended 30 June 2009

Deferred income tax at 30 June r	relates to the	following.
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before a moone tax at 50 June relates to the following.	BALANC	E SHEET	INCOME STATEMENT		
	2009 \$	2008 \$	2009 \$	2008 \$	
Consolidated					
Deferred Tax Liabilities					
Intangibles	4,443,000	4,493,537	50,537	50,535	
Property, plant and equipment - tax allowance	45,689,408	39,765,089	(5,924,319)	(3,647,213)	
Prepayments	8,629	8,399	(230)	18,789	
Deferred gains and losses on interest rate swap contracts	1,481,407	1,377,225	(104,181)	(301,146)	
Other assets	1,739,234	1,758,997	19,762	19,765	
	53,361,678	47,403,247			
Deferred Tax Assets					
Property, plant and equipment	240,192	252,119	(11,927)	82,916	
Payables	573,839	380,191	193,648	252,509	
Provision for doubtful debts	79,720	38,545	41,175	(153,916)	
Other provisions	505,886	695,961	(190,075)	245,577	
Tax assets	281,256	38,850	242,406	(11,018)	
	1,680,893	1,405,666	(5,683,204)	(3,443,202)	
Company					
Deferred Tax Liabilities					
Intangibles	0	0	0	0	
Property, plant and equipment	0	0	0	0	
Prepayments	0	0	0	0	
Deferred gains and losses on interest rate swap contracts	0	0	0	0	
Other assets	0	0	0	0	
	0	0			
Deferred Tax Assets					
Property, plant and equipment	0	0	0	0	
Payables	0	0	0	0	
Provision for doubtful debts	0	0	0	0	
Other provisions	0	0	0	0	
Tax assets	0	0	0	0	
	0	0	0	0	

	CONSO	LIDATED	COMPANY		
	2009 \$	2008 \$	2009 \$	2008 \$	
Other – Loans under Tax Sharing Arrangement					
Payable to related entities	0	0	0	487,980	
Receivable from related entities	0	0	1,441,793	0	

Loans with related entities under the tax sharing arrangement are unsecured and interest free.

For the year ended 30 June 2009

	CONSO	LIDATED	COMPANY	
	2009 \$	2008 \$	2009 \$	2008 \$
NOTE 5. CASH AND CASH EQUIVALENTS				
Cash balance comprises:				
- Cash on hand	51,336	51,336	0	0
- Cash at bank	8,956,899	12,646,364	0	0
- Interest reserve account	4,037,482	0	0	0
Closing cash balance	13,045,717	12,697,700	0	0

Interest is earned on current accounts at floating rates based on daily bank deposit rates.

Average interest rate earned is 3.79% (2008: 5.88%).

NOTE 6. TRADE AND OTHER RECEIVABLES

Trade receivables	7,551,829	8,238,140	0	0
Other receivables	1,138,709	234,379	0	0
Less: Allowance for impairment loss	(265,738)	(128,479)	0	0
	8,424,800	8,344,040	0	0

Trade receivables are non-interest bearing and on 30-day terms. A provision for impairment loss is made where there is objective evidence that a trade debtor is impaired.

Allowance for Impairment Loss

Movements in the allowance for impairment loss were as follows:

Closing balance	265,738	128,479	0	0
Net reversal for year	0	(513,064)	0	0
Net charge for year	137,259	0	0	0
Opening balance	128,479	641,543	0	0

At 30 June the ageing analysis of trade receivables is as follows:

PDNI - Past due not impaired, CI - Considered impaired

		TOTAL \$	0-30 DAYS \$	0-30 DAYS \$	31-60 DAYS \$	31-60 DAYS \$	61-90 DAYS \$	61-90 DAYS \$	+91 DAYS \$	+91 DAYS \$
				CI	PDNI	CI	PDNI	CI	PDNI	CI
2009	Consolidated	7,551,829	5,273,566	108,529	1,758,767	77,895	236,562	43,396	17,196	35,919
	Company	0	0	0	0	0	0	0	0	0
2008	Consolidated	8,238,140	6,924,178	0	1,104,893	0	71,918	5,702	8,672	122,777
	Company	0	0	0	0	0	0	0	0	0

Direct contact has been made with those debtors who have receivables past due. These debts are not considered impaired and the company is satisfied that payment will be received in full.

 $\label{thm:continuous} \mbox{Due to the short-term nature of these receivables, their carrying value is assumed to approximate their fair value.}$

The maximum exposure to credit risk is the fair value of receivables. Security over these assets is not held nor is it the company's policy to transfer or on sell receivables to special purpose entities.

For the year ended 30 June 2009

	CONSO	IDATED	COMPANY		
	2009 \$	2008 \$	2009 \$	2008 \$	
NOTE 7. PREPAID RENT (CURRENT)					
Prepaid rent	65,880	65,880	0	0	
NOTE 8. OTHER ASSETS (CURRENT)					
Prepayments	309,363	182,216	0	0	
NOTE 9. OTHER FINANCIAL ASSETS (CURRENT)					
Interest rate swap contracts	0	4,590,751	0	0	
Information on interest rate swap contracts is disclosed in Note 10.					
NOTE 10. OTHER FINANCIAL ASSETS (NON-CURRENT)					
Loans to related parties	0	0	76,319,720	86,841,233	
Loans to related parties – tax sharing arrangement	0	0	1,441,793	0	
Interest rate swap contracts	4,938,022	0	0	0	
	4,938,022	0	77,761,513	86,841,233	

Interest Rate Swap Contracts

Instruments used by the Consolidated Entity

Derivative financial instruments are used by the consolidated entity in the normal course of business in order to economically hedge exposure to fluctuations in interest rates.

Interest Rate Swaps

Interest-bearing loans carry a variable interest rate. In order to protect against rising interest rates the consolidated entity has entered into interest rate swap contracts under which it has a right to receive interest at variable rates and to pay interest at fixed rates. Swaps in place cover approximately 79% (2008: 54%) of the principal outstanding. The applicable fixed and floating interest rates on the interest rate swap contracts are set out in Note 2.

At balance sheet date the notional principal amounts and period of expiry on the interest rate swap contracts are as follows:

0-1 year	198,737,881	109,124,529	0	0
1-2 years	211,839,712	115,545,613	0	0
2-3 years	212,800,000	117,773,546	0	0
3-5 years	435,045,210	0	0	0

The interest rate swaps require settlement of net interest receivable or payable each quarter. Settlement dates are not matched directly with dates on which interest is payable on the underlying debt. They are settled on a net basis and all gains and losses attributable to the hedge are taken directly to the profit and loss.

For the year ended 30 June 2009

	CONSOL	IDATED	COMPANY		
	2009 \$	2008 \$	2009 \$	2008 \$	
NOTE 11. PREPAID RENT (NON-CURRENT)					
Prepaid rent	5,731,567	5,797,447	0	0	
Reconciliation					
Carrying amount at the beginning of the year	5,797,447	5,863,327	0	0	
Portion amortised during the year	(65,880)	(65,880)	0	0	
Carrying amount at the end of the year	5,731,567	5,797,447	0	0	
NOTE 12. INVESTMENT PROPERTIES					
Investment properties – at fair value	164,723,825	138,760,000	0	0	
December 1					
Reconciliation	100 700 000	110 000 400			
Carrying amount at the beginning of the year	138,760,000	119,906,400	0	0	
Additions	992,028	495,846	0	0	
Transfer from infrastructure assets	810,251	921,861	0	0	
Transfer from work in progress	513,645	502,502	0	0	
Net gain from fair value adjustment	23,647,901	16,933,391	0	0	
Carrying amount at the end of the year	164,723,825	138,760,000	0	0	
Amounts Recognised in the Income Statement for Investment Property					
Rental income	3,398,624	3,001,344	0	0	
Direct operating expenses from property that generate rental income					
	(299,139)	(100,404)	0	0	
Net income	3,099,485	2,900,940	0	0	

Investment property was valued by Herron Todd White (Darwin) as at 30 June 2009. Herron Todd White is an independent valuation firm which has extensive experience in valuing property for the consolidated entity. The value of investment property is measured on a fair value basis, being the amounts for which property could be exchanged between knowledgeable, willing parties in an arm's length transaction.

In assessing the value of the investment property, wherever an observable active market price (and/or market income stream) for a land and/or building asset was identifiable, the fair value approach has been adopted, primarily utilising the capitalisation of the estimated sustainable net annual market income. Capitalisation rates used were between 8% - 12.5% and have been based on the valuer's analysis of relevant market data combined with specific analysis of the asset/income stream.

Leasing Arrangements

Investment properties are leased to tenants under long-term operating leases with rentals generally payable monthly. These non-cancellable operating leases have variable remaining terms dependent on the lease agreement.

Future minimum rentals under non-cancellable operating leases of investment properties not recognised in the financial statements are receivable as follows:

For the year ended 30 June 2009

	CONSOLIDATED		COMPANY	
	2009 \$	2008 \$	2009 \$	2008 \$
Within 1 year	3,259,887	2,730,148	0	0
Later than 1 year but not later than 5 years	10,331,093	10,752,622	0	0
Later than 5 years	6,355,401	7,526,644	0	0
Total minimum lease payments	19,946,381	21,009,414	0	0

Contractual Obligations

Refer to Note 26 for disclosure of any contractual obligations which include to purchase, construct or develop investment property or for repairs, maintenance and enhancements.

NOTE 13. INVESTMENTS

Shares in subsidiary companies at cost	0	0	24	24
NOTE 14. INFRASTRUCTURE, PLANT AND EQUIPMENT				
Plant and Equipment				
Plant and equipment – at cost	6,007,564	7,215,170	0	0
Accumulated depreciation	(3,357,321)	(4,767,780)	0	0
Total Plant and Equipment	2,650,243	2,447,390	0	0
Infrastructure Assets				
Infrastructure assets under lease – at cost	192,960,300	170,149,548	0	0
Accumulated depreciation	(43,322,755)	(34,285,200)	0	0
Allowance for impairment	(2,604,727)	(283,877)	0	0
Total Infrastructure Assets	147,032,818	135,580,471	0	0
Work in Progress	4,647,980	12,806,970	0	0
Total Infrastructure, Plant and Equipment	154,331,041	150,834,831	0	0
Reconciliations				
Plant and Equipment				
Carrying amount at the beginning	2,447,390	1,757,212	0	0
Additions	803,646	1,007,054	0	0
Transfer from work in progress	106,320	323,196	0	0
Disposals	(54,778)	(31,971)	0	0
Depreciation	(652,335)	(608,101)	0	0
Carrying amount at the end	2,650,243	2,447,390	0	0
Infrastructure Assets				
Carrying amount at the beginning	135,580,471	115,629,056	0	0
Additions	622,505	11,386,302	0	0

	CONSOLIDATED		COMPANY	
	2009 \$	2008 \$	2009 \$	2008 \$
Transfer from work in progress	23,849,063	19,905,604	0	0
Transfer to investment property	(810,251)	(921,861)	0	0
Disposals	0	(1,217,433)	0	0
Depreciation	(9,888,120)	(8,917,320)	0	0
Impairment	(2,320,850)	(283,877)	0	0
Carrying amount at the end	147,032,818	135,580,471	0	0
Work in Progress				
Carrying amount at the beginning	12,806,970	19,707,337	0	0
Investment property additions	654,048	953,505	0	0
Plant and equipment additions	270,161	86,194	0	0
Infrastructure additions	15,436,778	12,860,495	0	0
Software additions	1,567	0	0	0
Transfer to investment property	(513,645)	(502,502)	0	0
Transfers to plant and equipment	(106,320)	(323,196)	0	0
Transfer to computer software	(52,516)	(69,259)	0	0
Transfers to infrastructure	(23,849,063)	(19,905,604)	0	0
Carrying amount at the end	4,647,980	12,806,970	0	0
NOTE 15. OTHER INTANGIBLES				
Lease Premium				
Lease premium	16,676,910	16,676,910	0	0
Accumulated amortisation	(1,866,910)	(1,698,456)	0	0
	14,810,000	14,978,454	0	0
Computer Software				
Computer software – at cost	1,510,657	1,080,769	0	0
Accumulated amortisation	(1,060,453)	(622,303)	0	0
	450,204	458,466	0	0
Total Intangibles	15,260,204	15,436,920	0	0
Reconciliations				
Lease Premium				
Carrying amount at the beginning of the financial year	14,978,454	15,146,908	0	0
Amortisation charged during the year	(168,454)	(168,454)	0	0
Carrying amount at the end of the financial year	14,810,000	14,978,454	0	0
Computer Software				
Carrying amount at the beginning of the financial year	458,466	695,814	0	0

For the year ended 30 June 2009

	CONSO	CONSOLIDATED		COMPANY	
	2009 \$	2008 \$	2009 \$	2008 \$	
Additions	377,372	12,270	0	0	
Transfer from work in progress	52,516	69,259	0	0	
Amortisation charged during the year	(438,150)	(318,877)	0	0	
Carrying amount at the end of the financial year	450,204	458,466	0	0	
NOTE 16. GOODWILL					
Gross Carrying Amount					
Balance at the beginning of the financial year	13,963,732	13,963,732	0	0	
Other	0	0	0	0	
Balance at end of financial year	13,963,732	13,963,732	0	0	
Accumulated Impairment Losses					
Balance at the beginning of the financial year	0	0	0	0	
Impairment losses for the year	0	0	0	0	
Balance at the end of the financial year	0	0	0	0	
Net Book Value					
At the beginning of the financial year	13,963,732	13,963,732	0	0	
At the end of the financial year	13,963,732	13,963,732	0	0	

Goodwill relates to the original acquisition of the airports.

Management has carried out calculations to test for impairment of goodwill and is of the opinion that no impairment of goodwill at Darwin International Airport or Alice Springs Airport has existed since acquisition and it is appropriate to continue to carry goodwill forward at the same value it was initially booked on acquisition.

The recoverable amount of the cash-generating units, being Darwin International Airport and Alice Springs Airport, were assessed with reference to the cash-generating unit's enterprise value.

The enterprise value calculation is derived using a long-term (15-year) valuation model which forecasts the cash flows to shareholders. Management considers the period forecast in the valuation model appropriate, given the long-term nature of expenditure and returns on infrastructure assets, such as Airports, which the consolidated entity operates.

Key assumptions used in the enterprise value calculations are as follows:

- 15-year passenger numbers as forecast by Tourism Futures International, using a 'central' scenario. Even at a 'low' scenario, management considers that the carrying value of goodwill is appropriate;
- · operating revenue assumptions are based on agreed contracts where applicable, passenger forecasts and trading conditions, and any other relevant factors;
- · operating expenditure assumptions are based on the budget and extrapolated using inflation multipliers for key expenses;
- · capital expenditure as agreed with stakeholders, with sustaining capital normalised over the long-run model;
- long-run inflation of 2.5%;
- discount rate of 15%.

Allocation of Goodwill to Cash-Generating Units

Goodwill has been allocated for impairment testing purposes to individual cash-generating units as follows:

- Alice Springs Airport;
- · Darwin International Airport.

The carrying amount of goodwill allocated to cash-generating units, that are significant individually or in aggregate, is as follows:

For the year ended 30 June 2009

	CONSOL	CONSOLIDATED		Υ
	2009 \$	2008 \$	2009 \$	2008 \$
Alice Springs Airport	3,072,207	3,072,207		
Darwin International Airport	10,891,525	10,891,525		
	13,963,732	13,963,732		
NOTE 17. TRADE AND OTHER PAYABLES (CURRENT)				
Trade creditors	2,824,203	994,820	0	0
Interest accrued	234,832	417,877	0	0
Other creditors	135,904	14,495,983	0	0
Retentions and deposits held	382,337	302,312	0	0
Payments received in advance	0	420,309	0	0
	3,577,276	16,631,301	0	0

Trade and other creditors are non-interest bearing and normally settled on 30-day terms. Due to the short-term nature of these payables, their carrying value is assumed to approximate their fair value.

NOTE 18. BORROWINGS (CURRENT)

Borrowings secured by fixed charge:				
- Senior debt	0	175,600,000	0	0
	0	175,600,000	0	0

The bank has a fixed and floating charge over all present and future assets and undertakings.

NOTE 19. PROVISIONS (CURRENT)

Short-term employee benefits				
- Annual leave	791,611	658,865	0	0
- Long service leave	595,197	541,275	0	0
- Other employee benefits	679,799	507,704	0	0
Provision for fringe benefits tax	46,876	40,185	0	0
	2,113,483	1,748,029	0	0
Annual Leave				
Opening balance at beginning of year	658,865	557,873	0	0
Provisions raised during the year	492,938	402,947	0	0
Amounts utilised	(360,192)	(301,955)	0	0
Balance at end of the year	791,611	658,865	0	0
Long Service Leave				
Opening balance at beginning of year	541,275	516,884	0	0
Provisions raised during the year	40,452	61,650	0	0
Portion transferred from non-current	22,713	0	0	0

	CONSOLIDATED		COMPANY	
	2009 \$	2008 \$	2009 \$	2008 \$
Amounts utilised	(9,243)	(37,259)	0	0
Balance at end of the year	595,197	541,275	0	0
Other Employee Benefits				
Opening balance at beginning of year	507,704	0	0	0
Provisions raised during the year	512,799	507,704	0	0
Portion transferred from non-current	167,000	0	0	0
Amounts utilised	(507,704)	0	0	0
Balance at end of the year	679,799	507,704	0	0
Fringe Benefits Tax				
Opening balance at beginning of year	40,185	35,437	0	0
Provisions raised during the year	230,462	183,741	0	0
Amounts utilised	(223,771)	(178,993)	0	0
Balance at end of the year	46,876	40,185	0	0
NOTE 20. BORROWINGS (NON-CURRENT)				
Borrowings secured by fixed charge:				
- Senior debt	206,000,000	0	0	0
- Unamortised finance costs	(2,794,895)	0	0	0
Total	203,205,105	0	0	0
Finance Facilities				
Bank overdraft facility (a)	3,000,000	3,000,000	0	0
Amount of overdraft facility used	0	0	0	0
Senior debt facility (b)	244,000,000	220,700,000	0	0
Amount of senior debt facility used	206,000,000	175,650,000	0	0
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 is:	382,193,746	352,079,183	0	0

⁽a) The consolidated entity has access to a bank overdraft amounting to \$3,000,000 (2008: \$3,000,000) 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. Interest rates are variable.

- Facility A \$204 million term loan facility (fully drawn)
- Facility B1 \$40 million aeronautical construction (\$2 million drawn)

⁽b) The company refinanced its senior debt facility with a commencement date of 6 January 2009. The facility is due for expiry on 6 January 2012 and is used to fund the aeronautical capital expenditure requirements of the consolidated entity. At balance sheet date, the consolidated entity has a \$244-million senior debt facility comprised of the following:

For the year ended 30 June 2009

Facility B1 is for the purpose of funding the aeronautical capital expenditure requirements of the consolidated entity. The facility is an interest-only facility with the principal payable on maturity on 6 January 2012. Interest is generally payable quarterly. Average interest charged for the year was 6.86% (2008: 7.63%), being the bank bill rate plus a margin dependent on the interest cover ratio. The facility is governed by covenants including interest cover ratio, leverage ratio, a hedging strategy and maintenance of an interest reserve account. The bank has a fixed and floating charge over all present and future assets and undertakings of the consolidated entity, but the property which is located outside the Northern Territory or the Australian Capital Territory is excluded.

On 30 June 2009, a further \$60-million facility for terminal building expansion capital expenditure expired. At balance sheet date this facility remained undrawn and the consolidated entity does not have any further commitments in relation to it.

	CONSOL	IDATED	СОМ	PANY
	2009 \$	2008 \$	2009 \$	2008 \$
NOTE 21. PROVISIONS (NON-CURRENT)				
Long service leave	252,599	149,746	0	0
Other employee benefits	762,798	929,798	0	0
	1,015,397	1,079,544	0	0
Long Service Leave				
Opening balance at beginning of year	149,746	111,085	0	0
Provisions raised during the year	125,566	38,661	0	0
Transfer to current portion	(22,713)	0	0	0
Balance at end of the year	252,599	149,746	0	0
Other Employee Benefits				
Opening balance at beginning of year	929,798	280,000	0	0
Provisions raised during the year	0	649,798	0	0
Transfer to current portion	(167,000)	0	0	0
Balance at end of the year	762,798	929,798	0	0
NOTE 22. CONTRIBUTED EQUITY				
Issued and Paid-Up Capital 40,765,344 ordinary shares of \$1 each fully paid and issued on incorporation (2008: 40,765,344)	40,765,344	40,765,344	40,765,344	40,765,344
2000 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 (2008: 2000)	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

Ordinary shares have the right to receive dividends as declared and, in the event of winding up of the company, to participate in the proceeds from sale of all surplus assets in proportion to the number of and amounts paid up on shares held.

Ordinary shares entitle the holder to one vote, either in person or by proxy, at a meeting of the company.

Preference shareholders have the right to receive dividends in priority to all other shares in the capital of the company. A preference share does not confer upon a holder any other rights to participate in the distribution of income, capital or other assets of the company.

Preference shares do not entitle the holder to vote on normal business matters at a general meeting.

For the year ended 30 June 2009

	CONSO	CONSOLIDATED		PANY
	2009 \$	2008 \$	2009 \$	2008 \$
NOTE 23. DIVIDENDS PAID				
(a) Dividends Declared and Paid during the Year:				
Dividends on shares – fully franked	14,580,000	15,620,000	14,580,000	15,620,000
Dividend per share	35.76 cents	38.31 cents	35.76 cents	38.31 cents

At the date of issue of this report no other dividends were proposed or declared during the period. All dividends paid and declared during the period have been recognised in the financial statements. The directors have not yet made a recommendation for any further dividend for the year ended 30 June 2009.

(b) Franking Account Balance				
Franking account balance as at the end of the financial year at 30% (2008: 30%)	1,486,533	845,062	1,486,533	845,062
Franking credits that will arise from the payment of income tax payable as at the reporting date	1,192,305	2,863,361	1,192,305	2,863,361
Net franking credits available	2,678,838	3,708,423	2,678,838	3,708,423

NOTE 24. KEY MANAGEMENT PERSONNEL COMPENSATION INFORMATION

(a) Directors

The names of persons who were Directors of ADGPL at any time during the financial year are noted in Note 27. Information on remuneration of directors is included in Note 24(c) below.

(b) Other Key Management Personnel

Executives who held office during the financial year were:

Ian Kew - Chief Executive Officer

Thomas Ganley - Chief Financial Officer and Company Secretary

Alan Revell – Director Property

Jim Parashos – Aviation Development Director

Jill Holdsworth - Health, Safety & Environment Management Systems Coordinator

Donald McDonald – General Manager Alice Springs Airport and Tennant Creek Airport

Steve Marshall - Human Resources Manager

Stuart Ainslie - Operations Director

(c) Total Compensation Paid and Payable to Key Management Personnel for the Financial Year

Short-term employee benefits	2,266,111	2,137,773	0	0
Superannuation contributions	210,787	168,686	0	0
Non-cash benefits	0	0	0	0
Termination benefits	0	0	0	0
Other long-term benefits	0	929,798	0	0
	2,476,898	3,236,257	0	0

For the year ended 30 June 2009

	CONSOL	IDATED	COMPAI	COMPANY	
	2009 \$	2008 \$	2009 \$	2008 \$	
NOTE OF DEMUNICIPATION OF AUDITORS					
NOTE 25. REMUNERATION OF AUDITORS					
Remuneration of the auditors of the company for:					
Audit and review of financial statements of the company and any other company in the consolidated entity	84,100	58,913	0	0	
Tax compliance and advice	55,875	41,772	0	0	
Other advice and services	40,729	13,144	0	0	
	180,704	113,829	0	0	
NOTE 26. COMMITMENTS AND CONTINGENCIES					
Commitments for the acquisition of investment property, infrastructure, plant and equipment contracted for at the reporting date but not recognised as liabilities, payable:					
Not later than 1 year	5,182,146	593,009	0	0	

NOTE 27. RELATED PARTIES

Directors

The directors of ADGPL during the financial year and up to the date of this report were:

NAME	APPOINTED	RESIGNED
Mr Kyle Anthony Mangini	30 May 2007	1 February 2009
Mr Chris Barlow (Chair)	2 October 2007	Current
Mr Roger Llewellyn Lloyd	4 April 2008	Current
Mr Jeffrey George Douglas Pollock	11 June 2008	Current
Ms Alexandra Elizabeth Campbell	30 June 2008	Current
Mr Justin Peter Ginnivan (Alternate)	29 October 2008	1 February 2009
Mr Julio Francisco Garcia	1 February 2009	Current

Remuneration

Information on remuneration of directors is included in Note 24.

	CONSO	LIDATED	СОМ	COMPANY		
	2009 \$ 2008 \$		2009 \$	2008 \$		
Wholly Owned Group Transactions						
Interest received and receivable	0	0	10,948,529	12,473,869		
Aggregate amounts receivable	0	0	77,761,513	86,841,233		
Aggregate amounts payable	0	0	0	487,980		

	CONSOLIDATED		COMPANY		
	2009 \$	2008 \$	2009 \$	2008 \$	
Other Related Party Transactions					
BAA International Limited					
DIAPL, ASAPL and TCAPL entered into a consulting agreement with one of the shareholders of ADGPL, BAA International Limited. This was a commercially focused agreement and was executed on 29 May 2003. The agreement was terminated in November 2007.					
Total expenditure	0	364,599	0	0	
NOTE 28. STATEMENT OF CASH FLOWS					
(a) Reconciliation of Profit after Tax to Net Cash Flows from Operations					
Operating profit after income tax	25,890,753	22,602,622	7,663,970	8,731,704	
Depreciation and amortisation	11,212,939	10,078,632	0	0	
Impairment expense – infrastructure assets	2,320,849	283,877	0	0	
Unrealised gain on interest rate swap	(347,270)	(1,003,821)	0	0	
Fair value adjustment to investment property	(23,647,901)	(16,933,391)	0	0	
Net (gain)/loss on sale of infrastructure, plant and equipment	(31,021)	1,170,156	0	0	
Deferred borrowing costs	558,877	273,101	0	0	
Change in Operating Assets and Liabilities					
Other provisions	0	0	0	0	
Provision for employee benefits	(211,492)	1,326,294	0	0	
Trade and other receivables	(80,760)	(986,620)	0	0	
Prepayments	(127,147)	390,091	0	0	
Other financial assets	0	0	(1,441,793)	0	
Trade and other creditors and accruals	(2,611,722)	(8,894,514)	0	0	
Other payables	0	0	(487,980)	(2,519,124)	
Deferred tax liabilities	5,958,431	3,859,629	0	0	
Income tax payable	(1,675,710)	482,118	(1,675,710)	482,118	
Deferred tax asset	(275,227)	(416,067)	0	0	
Net Cash Flow from Operating Activities	16,933,599	12,232,107	4,058,487	6,694,698	
(b) Reconciliation of Cash					
Cash on hand	51,336	51,336	0	0	
Cash at bank	8,956,899	12,646,364	0	0	
Interest reserve account	4,037,482	0	0	0	
	13,045,717	12,697,700	0	0	

For the year ended 30 June 2009

NOTE 29. SUBSIDIARIES

ADGPL, the ultimate parent entity, has the following wholly owned subsidiaries which are incorporated in Australia:

		REST HELD BY THE TED ENTITY	INVES	INVESTMENT		
NAME	2009 %	2008 %	2009 \$	2008 \$		
Northern Territory Airports Pty Ltd	100	100	12	12		
Darwin International Airport Pty Ltd (a)	100	100	12	12		
Alice Springs Airport Pty Ltd (a)	100	100	12	12		
Tennant Creek Airport Pty Ltd	100	100	12	12		

⁽a) Investments are held by Northern Territory Airports Pty Ltd.

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Airport Development Group Pty Ltd, we 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 2009 and of their performance for the year ended on that
 - (ii) complying with Accounting Standards and Corporation Regulations 2001; and
 - (b) There are reasonable grounds to believe that the company will be able to continue to pay its debts as and when they become due and payable

On behalf of the Board

Church Darley Frector Director

Place: Melbaurne

Date: 2 OCTUBRY 2009



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Independent Auditor's Report to the members of Airport Development Group Pty Ltd

Report on the Financial Report

We have audited the accompanying financial report of Airport Development Group (the company) and the entities it controlled during the year, which comprises the balance sheet as at 30 June 2009, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with the Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1(a), the directors also state that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit we have met the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the directors' report. In addition to our audit of the financial report, we were engaged to undertake the services disclosed in note 25 to the financial statements. The provision of these services has not impaired our independence.

Liability limited by a scheme approved under Professional Standards Legislation.

partners Amin Islam FCA Rosemary Campbell FCA Matthew Kennon CA Steven Lai CA



Auditor's Opinion

In our opinion:

- the financial report of Airport Development Group Pty Ltd is in accordance with 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 30th June 2009 and of their performance for the year ended on that date; and
 - ii complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.
- the financial report also complies with International Financial Reporting Standards as stated in note 1(a).

Merit Partners

Ment Patres

Matthew Kennon

Partner

Darwin

Date: 2/10/2009

FAST FACTS

FINANCIAL YEAR ENDING	2005	2006	2007	2008	2009
PASSENGERS					
DIA	1,386,000	1,440,000	1,654,000	1,813,000	1,998,000
ASA	603,000	607,000	628,000	630,000	676,000
TOTAL	1,989,000	2,047,000	2,282,000	2,443,000	2,674,000
LANDED TONNES					
DIA	621,000	662,000	801,000	822,000	845,000
ASA	233,000	204,000	247,000	243,000	243,000
TCA	4,900	5,300	4,200	4,000	4,300
TOTAL	858,900	871,300	1,052,200	1,069,000	1,092,300
AERONAUTICAL CHARGES (ex GST)					
Passenger Facilitation Charge (\$/pax) **					
DIA	4.50	5.00	6.73	6.90	7.07
ASA	4.50	5.30	5.44	5.57	5.71
TCA	n/a	n/a	n/a	n/a	n/a
Airport Services Charge (\$/pax) **					
DIA	5.50	5.75	6.37	6.52	6.69
ASA	5.50	6.45	6.61	6.78	6.94
TCA	18.00	18.00	18.00	18.00	18.00
Landing Charge General Aviation \$/MTOW **					
DIA	18.00	18.50	19.00	19.50	20.00
ASA	18.00	18.50	19.00	19.50	20.00
TCA	23.00	23.00	23.00	23.00	23.00
REVENUE \$000s					
DIA	27,408	32,252	43,776	49,537	54,961
ASA	9,787	10,989	12,402	14,921	16,287
TCA	153	211	151	313	394
Other	(12)	(39)	(38)	(22)	(23)
TOTAL ADG	37,336	43,413	56,291	64,749	71,619
EBITDA \$000s					
DIA	13,033	16,749	23,876	27,267	30,967
ASA	5,580	6,445	7,401	8,855	9,808
TCA	(22)	15	(38)	93	158
Other	30	0	0	0	38
TOTAL ADG	18,621	23,209	31,239	36,215	40,971
CAPITAL EXPENDITURE \$000s					
DIA	17,771	20,731	23,276	11,156	18,742
ASA	1,035	1,831	7,568	5,752	10,782
TCA	5	1	112	199	10
TOTAL ADG	18,811	22,563	30,956	17,107	29,534
EMPLOYEES					
DIA	42	42	55	58	61
ASA	11	11	11	13	13
TCA	1	1	1	1	1
TOTAL ADG	54	54	67	72	75

^{**} as at 30 June

