

DARWIN INTERNATIONAL
AIRPORT

ALICE SPRINGS
AIRPORT

TENNANT CREEK
AIRPORT

Airport Development Group

2012/13 ANNUAL REPORT



Airport
Development Group



VISION

To be the most successful airport business in Australasia.

We will achieve this by

- developing a commercial non-aviation property portfolio of more than \$200 million
- growing passengers to 3 million at DIA and 700 000 at ASA
- maintaining the respect of all of our airline customers
- creating a positive work environment and making ADG an attractive place to work
- being recognised as a significant contributor to the NT economy
- ensuring development is done in accordance with the airport Master Plans and the Airport Environment Strategies
- securing strong and diverse community support for our airport businesses
- continuing to outperform other Australasian airports' growth of Total Shareholder Return.

PURPOSE

Our purpose is to provide safe, efficient and environmentally sound services that represent value for money for our customers, and optimise the financial returns to our shareholders.

We will do this by

- operating safe and secure airports
- providing outstanding customer service
- developing a sustainable aviation and non-aviation airport business
- excelling in environmental and financial management
- maximising long term value for our shareholders
- contributing to the NT's economic growth and our community.





VALUES

We recognise that stakeholders and the community judge us by the way we act. Our reputation is paramount and as a result, we will act with honesty and integrity at all times. Our workplace reflects our corporate values.

SAFETY FIRST

Safety is our number one priority.

CUSTOMER FOCUSED

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

HONESTY AND INTEGRITY

We are honest, ethical and professional in all that we do.

ACCOUNTABILITY

We will deliver on our commitments and take ownership of our responsibilities.

INNOVATIVE AND CREATIVE

We encourage new thinking in our team.

RESPECT FOR EACH OTHER

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

COMMUNITY ENGAGEMENT

We are an important part of our communities and we will seek to engage with them at all levels.

TEAM WORK

We will work together to achieve the collective goals.



On average one in three
Territorians benefit from ADG
through returns from their
superannuation funds.

About ADG

Airport Development Group Pty Limited (ADG) is the ultimate parent company of the ADG Group. ADG owns 100% of the shares in Northern Territory Airports Pty Limited (NTA) and Tennant Creek Airport Pty Limited (TCA). NTA owns 100% of the shares in Darwin International Airport Pty Limited (DIA) and Alice Springs Airport Pty Limited (ASA).

ADG has been a member of the Northern Territory (NT) community since 1998. As part of Australia's airport privatisation program, ADG acquired leases from the Australian Federal Government (AFG) for Darwin International Airport, Alice Springs Airport and Tennant Creek Airport. Each airport lease is

for a term of 50 years, with an option of a further 49-year lease.

ADG is proudly 100% Australian owned by IFM Investors (77.4%) and Palisade Investment Partners Limited (22.6%). On 8th March 2013 we saw the departure of Hastings Funds Management Ltd (HFML) from our share register; Hastings had previously held 28.23% ownership of ADG and these shares were transferred to the remaining shareholders. With the exit of HFML from the register, ADG farewelled directors Alex Campbell and Jeff Pollock. ADG thanks Alex and Jeff for their valuable contribution to the Board, stewardship and performance of ADG.



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Chairman's Report

Airport Development Group's (ADG) airports in Darwin, Alice Springs and Tennant Creek play a vital role in the economic and social makeup of the Northern Territory, providing our remote populations with the transport infrastructure that keeps business links strong, connecting people with the healthcare they need and ensuring visitors can experience our unique environments.

They also form part of an industry that has significant national value—according to a report released last year by the Australian Airports Association, Australia's airports generated a total economic contribution of around \$17.3 billion in 2011, equivalent to around 1.2% of Gross Domestic Product.

It's for these reasons that we are committed to building a profitable business that delivers important benefits to its communities. ADG experienced its sixth consecutive period of growth during financial year 2012/2013, reaffirming our vision to be the most successful airport business in Australasia. Total revenue for the group saw an increase of 8.1% on the previous year, with earnings of \$97.5 million achieved through strong results from our aeronautical and trading income.

We continued to face the challenges of an uncertain economic climate and its effects on markets such as tourism, and felt the impact of reduced transit and transfer passenger numbers in Darwin. However increases in Origin/Destination (OD) passengers were seen in Darwin, with 3% growth on previous year for international passengers, and 4% increase in domestic. Alice Springs saw an overall 5% increase in passenger numbers (including transits).

Contributing significantly to this improvement was the continued delivery of new airline services. DIA was internationally recognised in October for its route development initiatives, taking home the World Routes Marketing



Award for its efforts in attracting SilkAir to Darwin and building new routes with Virgin Australia and Airnorth. Following the win, DIA quickly announced Philippine Airlines and AirAsia would extend Darwin's connections into south-east Asia and Alice Springs Airport (ASA) announced the return of Tigerair to Central Australia. ADG will continue to work with industry and government partners to highlight these achievements and the benefits they offer our communities.

Increased airline capacity needs to be met with facilities that will meet the needs of our new customers and help them build their businesses. ADG has a long history of investing in the future success of our airports, with a capital spend of more than \$208 million since 1998. This year, our infrastructure program included the first costs related to Darwin's Terminal Expansion Project, with

construction beginning in May. This enhanced facility will represent ADG's largest capital investment to date and will deliver Darwin International Airport (DIA) the capacity it needs to support the rapid growth of the Top End.

Our comprehensive property portfolio also grew over the reporting period, adding new developments in Alice Springs and Darwin. At ASA, the NT Police Air Section are now housed in a hangar on airport, a modern facility from which they can cover the 1.3 million square kilometres of the NT that make up their area of operations. In Darwin, another important service for Territorians is now based out of an integrated aeromedical hangar at DIA. CareFlight provides the Top End Medical Retrieval Service for the NT Government and DIA worked closely with the organisation to develop a long-term, specialised facility for its important work. Building activity related to the resources sector in Darwin continued to dominate the city's landscape, with the airport no exception. In February DIA agreed to provide JKC Australia LNG Pty Ltd with a car park for the exclusive use of JKC employees, who would be bussed from there to work on the INPEX Ichthys LNG plant.

These and all the achievements outlined in this report are testament to Ian Kew and his staff, and I thank them for their commitment to our business goals. I would also like to thank the ADG Board members for their strategic guidance and direction throughout a year of challenges and success.

Chris Barlow

Chairman



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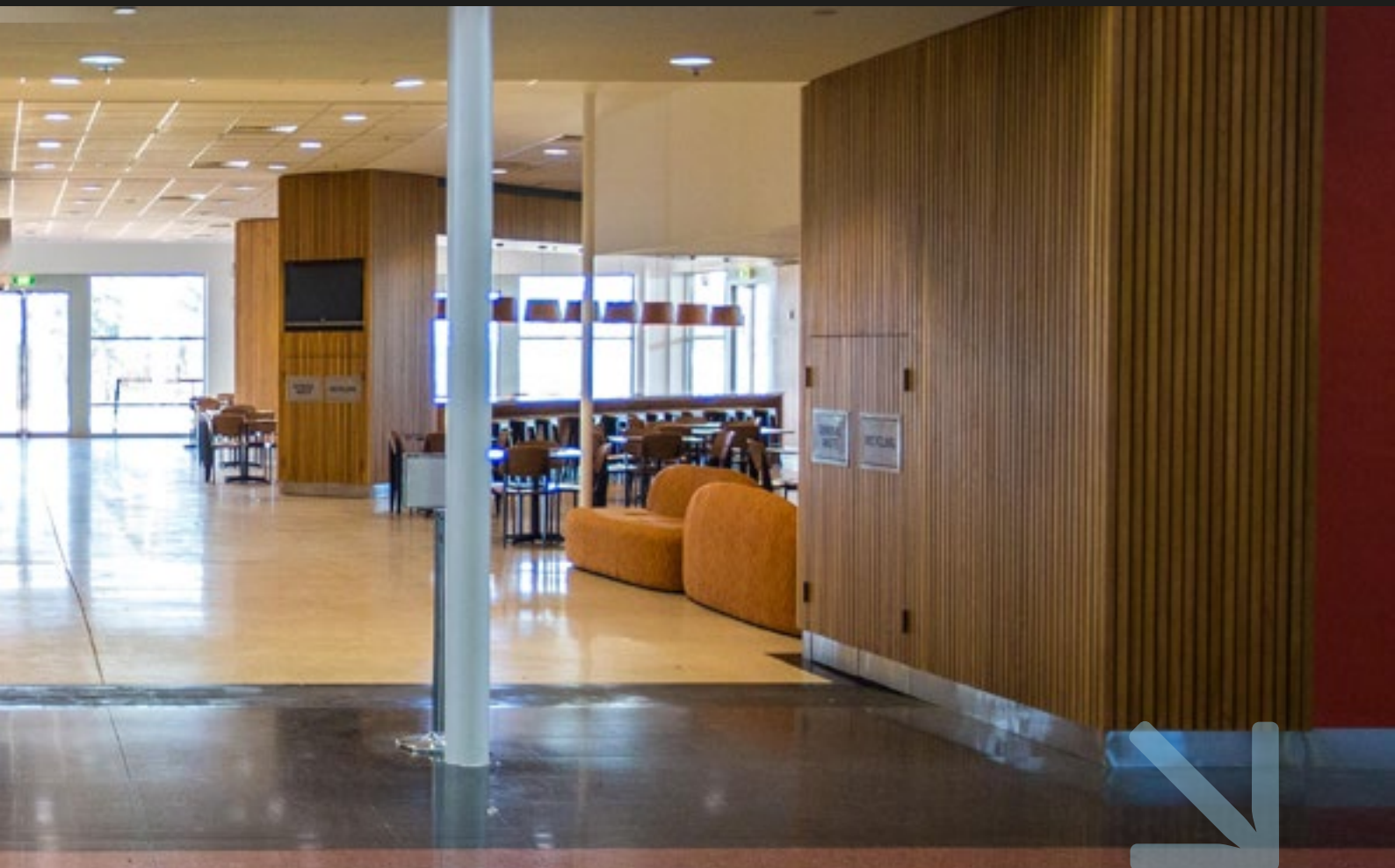
CEO's Report

The past financial year was marked by great promise as we looked to the next phase of development for our business and laid the groundwork for future growth. In Darwin we announced the commencement of our Terminal Expansion Project, the first step in over \$100 million worth of aviation infrastructure investment that will be made before 2017.

The biggest project undertaken by DIA since the current terminal opened in 1991, the expansion works will include \$60 million in total upgrades and will see the terminal nearly double in size, growing from 16,000 to 27,000 square metres.

Delaware North Companies (DNC) joined us as Northern Territory Airports' new food and beverage partner, and immediately began work on developing new retail concepts that would complement the customer mix and passenger profile across Darwin and Alice Springs. Café Terra Rosa in Alice was the first outlet to open; a warm, contemporary new space that offers a new level of service to passengers passing through. DNC's willingness to present concepts that have relevance to our locations can also be seen in Bumbu, a south-east Asian restaurant that was developed in collaboration with local chef Jimmy Shu. In a nod to Darwin's proximity to Asia and our community's love of Jimmy's fusion dishes, DNC have created an offering that is unique to Darwin.

We are also preparing for upgrades to our News and Gifts stores. Following our Request



ADG staff are enthusiastic, committed and highly skilled, and together ensured the safe use of our airports by over 2.8 million people in the previous year.

for Proposal in late 2012, we engaged in a tender process to determine the operator that could best serve our passengers and demonstrate their plans to cater for our future growth. We involved community members in our decision, forming a Challenge Panel of local business owners and airport users to review presentations from the shortlisted parties and provide feedback to ADG. Their input was valuable in reaching the final decision, which was to re-appoint the incumbent operator Australian Way Pty Ltd.

Community engagement of this kind continued to be a key priority for ADG, to ensure we maintain strong relationships in the regions in which we operate. In August, we joined with airport colleagues, contractors, suppliers and tenants for DIA's annual Charity Golf Day, raising \$25,000 for the local branch of Make-

a-Wish Australia. The combined efforts of staff and the wider airport community will have a significant impact on the organisation and make a difference to local people in need.

Our communities rely on us to provide the air transport links that enable business, trade, healthcare and leisure activities to thrive even in our remote locations. During the previous year we improved the connectedness of these regions even further, with Philippine Airlines, Airnorth and AirAsia linking Darwin, south-east Asia and northern Queensland; while Tigerair resumed services to Alice Springs and increased the Red Centre's accessibility to visitors from Melbourne and Sydney.

Ensuring our infrastructure is capable of supporting this capacity underscores the planning undertaken for upcoming key projects.

In Darwin, the design process and preparatory demolition work for three new Code C aircraft parking bays was completed this year, with completion expected in early 2014. When finished, these new bays will bring our total number of bays to 17 and effectively double the number of passengers we will be able to accommodate in our peak periods.

ADG staff are enthusiastic, committed and highly skilled, and together ensured the safe use of our airports by over 2.8 million people in the previous year. I would like to thank them, along with our Board, our stakeholders and industry partners, for supporting our business and its vision for the future.

Ian Kew
CEO

Board of Directors



CHRIS BARLOW

Chairman

Chris Barlow has over 33 years' experience in the aviation industry. From July 2000 until August 2007, Chris was Managing Director and Chief Executive Officer of Australia Pacific Airports Corporation, the operator of Melbourne and Launceston Airports. Prior to that, he had several roles with BAA plc (formerly British Airports Authority), the United Kingdom airports company, including Managing Director of Aberdeen Airport and Corporate Development Director. Chris has also worked in the United Kingdom and North America. He is currently a Director of Asciano, Chairman of their Remuneration Committee and Chairman of the Melbourne Visitor and Convention Bureau.

Chris has a Bachelor of Science (Honours) in Civil Engineering.



ROGER LLOYD

Director

Roger Lloyd has 18 years of funds management and investment banking experience, with over three years with Perpetual Investments, including as Head of Infrastructure, and 12 years with Macquarie Bank and previously Bankers Trust, prior to joining Palisade Investment Partners in 2008. 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, a Graduate of the Australian Institute of Company Directors and holds a Bachelor of Business from Kuring-gai College (now University of Technology Sydney).



**ADRIAN CROFT**

Director

Adrian Croft joined IFM Investors in July 2009 as Investment Director (Infrastructure). Prior to this, Adrian was employed with Credit Suisse (formerly Credit Suisse First Boston - CSFB) and for three and a half years prior to joining IFM Investors, Adrian held the position of Vice President with Credit Suisse's Tokyo office, where he managed all aspects of arranging leveraged and structured financings for corporate and private equity clients. Prior to his appointment to the Tokyo office, Adrian worked in the New York and Melbourne offices of CSFB, focusing on debt financing and investment banking.

Adrian holds a Bachelor of Economics (Honours)/Bachelor of Laws (Honours) from the University of Sydney.

**TOM GANLEY**

Company Secretary

Tom Ganley is Chief Financial Officer and Company Secretary of ADG. With over 24 years' experience in aviation finance, Tom Ganley joined ADG in June 1998. Previously, Tom held various senior finance and commercial management roles at Adelaide and Alice Springs Airports. A Justice of the Peace, he has a Bachelor of Accountancy from the University of South Australia, a Graduate Diploma in Applied Corporate Governance and an Australian Institute of Company Director's Diploma. Tom holds Fellow memberships with CPA Australia, the Governance Institute of Australia, the Australian Institute of Company Directors and the Australian Institute of Management. Tom has just concluded his duties as Chair of Judges for the Northern Territory Brolga Tourism Awards and a national judge for the Australian Tourism Awards.



1 / People and Culture

THE PEOPLE AT ADG ARE CENTRAL TO OUR COMMITMENT TO PROVIDING AIRPORT USERS WITH QUALITY CUSTOMER SERVICE AND A POSITIVE AIRPORT EXPERIENCE. WE ARE DEDICATED TO THE DEVELOPMENT OF A COHESIVE AND HIGHLY EFFICIENT TEAM CULTURE.

OUR STAFF

During the past year ADG farewelled Operations Officer John 'Shep' Sheppard after 39 years with the company. Starting as a radio linesman with the Department of Civil Aviation in 1976, Shep was one of the first appointed Safety Officers (call sign 'Safety One') at DIA, moving into the position in 1981. A highly respected member of the team, we wish Shep all the best in retirement.

In October 2012 we were saddened by the passing of long-serving employee Dennis Windsor. Dennis had a long history with aviation in the Northern Territory, having started work in 1973 at the Department of Civil Aviation at the Seven Mile Aerodrome, now part of the Heritage precinct at





Alice Springs Airport. In 1989 Dennis was employed by the Federal Airports Corporation (FAC) and in the early 1990s Dennis moved to Tennant Creek Airport. He remained with Tennant Creek Airport after the airport was privatised in 1998 and retired in March 2011. A well respected community member of Tennant Creek, Dennis was a wonderful ambassador for the airport.

Some important milestones were reached during the reporting period, with Alice Springs Technical Facilities Supervisor Phil Drew celebrating his 40th anniversary with ADG. Bob Calaby, Aerodrome Safety and Standards Manager at Darwin clocked up 15 years of service, while Terminal and Property Manager Rob Price and Operations Officer Colin Haddon (both at Alice Springs) achieved ten years' service.



CARING FOR OUR STAFF

Our Gateway to Health program continues to be popular amongst staff. The program provides regular seminars on health and wellbeing, runs regular health screen assessments, initiates activities such as our Pedometer Challenge and Urban Adventure Challenge and hosts health presentations run by experts in their field. Recent topics included Healthy Bones; Diabetes; and Eye and Back Care. ADG continued to offer staff a 'Living Well Rebate' which provides up to \$200 for a purchase that can improve a staff member's health, be it a bike, a pair of running shoes or a gym membership.

The Employee Assistance Program remains available to all staff. The confidential program provides a comprehensive range of counselling and support services for staff and their family members and is independent of the business.

STAFF SURVEY

Underlying our success over the last year has been the commitment and engagement of our staff, who continue to respond positively to the challenges of our operations. Each year a staff survey is conducted to gather information on what staff value about their work environment and their responsibilities, as well as uncover areas for improvement.

Our 2012 Annual Staff Opinion Survey again had a good response rate, with 86% of staff having their say. An overall score of 7.1 (out of a possible 10) was given for staff satisfaction as a whole, a result consistent with previous years.

Aspects of life at NT Airports that staff continue to enjoy most include the people, the flexibility in work/life balance and the friendly team environment. These areas will continue to be priorities for ADG as we look to build satisfaction rates into the future.

WORKPLACE HEALTH AND SAFETY

Over the past year, ADG has actively participated in the National Airports Safety Forum which looks at industry benchmarking and produces KPI's to allow comparisons between airports across the country. A key focus for next year will be to undertake a significant review of the Work Health and Safety management system.

ADG continued in its role as an ambassador for Safe Work Australia Week and organised a schedule of events to promote the values of Safety Week to DIA and ASA staff and tenants. Popular sessions included 'Working at heights safety'; 'Noise induced hearing loss'; 'Resistance Training' (to reduce injury through maintaining physical fitness); and 'Fire Extinguisher Training'. Safe Work Australia events provide an excellent opportunity to engage with stakeholders across our airport communities as well as provide important information to our staff.

2 / Community Engagement



ACTIVE INVOLVEMENT IN OUR COMMUNITIES IS A KEY PRIORITY FOR ADG, AS IT ENABLES OUR AIRPORTS TO UNDERSTAND HOW THEIR ACTIVITIES IMPACT ON THEIR REGIONS AND OFFERS VALUABLE OPPORTUNITIES TO BUILD STRONG RELATIONSHIPS WITH COMMUNITY MEMBERS.



The operations of our airports have impacts beyond their borders, influencing business decisions, providing essential services to industry or contributing to the economy through job creation or infrastructure development. It's therefore vital that we connect with our communities, giving them the information needed to plan their futures and receiving guidance on how to support their growth.



COMMUNITY CONSULTATION

DIA and ASA continued to facilitate Community Aviation Consultation Group (CACG) meetings in line with Federal Government requirements to host three per calendar year. The purpose of these meetings is to enable local community members to meet with the airport operator to address issues or complaints the community may have regarding airport activities, and gain more information about the airport's operations. The CACG membership includes an independent chair and a representative from different sectors such as tourism, business and environment. During 2012/13, each committee received presentations from the airport on topics such as bird and animal hazard management, airport quality of service monitoring and an insight into the respective airport's overall strategy, passenger traffic statistics and commercial property developments.

CHARITABLE GIVING

ADG is committed to supporting not-for-profit programs and organisations that improve the lives of Territorians. During the past year, DIA and ASA provided financial donations and resource assistance to sporting, cultural, historical, disability and educational organisations across the Northern Territory.

In Darwin, the Corporate Giving Committee supported a diverse range of community groups, donating funds to Somerville Community Services, tactileARTS, the Royal Flying Doctor Service, Mission Australia NT and Carpentaria Disability Services, among others.

ASA makes regular donations to local organisations, often involving the wider airport community in the process. One such example is the recycling program that was supported by airport visitors, Qantas and Café Terra Rosa. The funds raised through the recycling program were donated to local charity The Butterfly Connection to assist them to continue their work with families who are affected by serious illness. By providing support with expenses or travel, The Butterfly Connection is able to help keep families together.

DIA's annual Charity Golf Day brings the wider airport community together to raise funds to meet a specific goal of a local not-for-profit group. Our recipient in 2012 was the Darwin branch of Make-A-Wish Australia, which received \$25,000 to purchase a custom-built, branded BBQ trailer, an asset that will enable the charity to organise its own fundraising activities and create more awareness of its work.



Community Engagement



COMMUNITY PARTNERSHIPS

ADG invests in the cultural vitality of its communities through partnerships with local arts organisations, aiming to encourage a diverse and vibrant arts community that has the ability to support local initiatives and grow into the future.

DARWIN FESTIVAL

DIA was a Major Partner of Darwin Festival in 2012, supporting the Top End's premier arts and cultural event for a second year. Through the partnership, DIA contributed to the artistic, cultural and economic development of Darwin and the Northern Territory; and reached a local, interstate and international audience.

The partnership continued to strengthen and develop, with an extensive marketing campaign executed across the DIA precinct. Additionally, part of the Darwin Festival program was performed live on the tarmac: Operation Big Bands provided an unexpected delight to passengers arriving and jetting off from DIA. Performances took place across four different locations: airside serenades for passengers just stepping off their plane, in front of the departures doors, in the baggage area and in front of the arrival doors. Passengers were surprised and bemused over two separate Sunday afternoons of music.

DIA also chose to use this year's Festival as a great opportunity to engage with corporate clients, provide unique and exciting social opportunities for its staff and to promote the importance of strong relationships between business and the arts.

DARWIN INTERNATIONAL FILM FESTIVAL (DIFF)

DIA came on board with the Film Festival again in 2012, the second time the event was run. DIFF's slot on the Darwin Arts calendar was strongly established, with the international premiere films attracting 2,912 people attending over eight nights. Four of the film sessions were sell outs, with over 400 cinephiles buying tickets for each session. The figures represented a 55% increase on the previous year's attendance numbers, a very encouraging result for a relatively new event and one that signals a bright future for DIFF.





DARWIN FRIDGE FESTIVAL

The Darwin Fridge Festival ('Darwin's Coolest Festival') is the type of quirky and imaginative event that could only happen in Darwin. DIA supported the Festival for the second time in 2012, providing space within the terminal for the event's launch. Working with six remote indigenous communities, festival organisers created 70 eskies and 14 fabric lanterns that were exhibited on the luggage carousel, gaining national media coverage.

The scope of the festival was broadened in 2012 to include music, theatre, literature and digital art, as well as the original fridge sculptures upon which the event had been founded. As a result, the festival was able to increase the level of community engagement, involving 466 volunteers in making art and providing paid opportunities to 24 artists and arts workers.

BROWN'S MART

DIA partnered with Brown's Mart in early 2013, coming on board as a Major Supporter. The iconic performance space is an important venue for the local arts community, providing an affordable venue and professional support for the development of Northern Territory stories. The theatre resource and service organisation found great success in 2013, presenting for the first time since 2007 a full season of locally produced professional theatre. DIA is proud to be able to offer support to Brown's Mart at this exciting time in its history and looks forward to being involved in its future growth.

TENNANT CREEK

In Tennant Creek, the Airport supported the local Girl Guides association with a donation of tents for their use. TCA also sponsored the Tennant Creek Golf Day, and ADG staff from Darwin and Alice Springs joined in on the day.

ALICE SPRINGS EVENTS

ASA supported the Alice Springs Scouts Association with a donation of camping equipment for the group's use. The gift of tents and Trangie stoves, valued at \$3,000, will be used by the Scouts and Venturers on their camping trips.

The Wearable Art Awards are part of the Alice Desert Festival which is held annually in Alice Springs. Established in 2002, the Wearable Art Awards give first time and established artists a platform to showcase the diversity of innovative design in Central Australia. The airport was delighted to sponsor the 'sustainable' category.

ASA also supported the Tourism Central Australia Conference and Awards night. The conference aimed to develop and recognise local tourism industry participants with a full day conference and a gala night to celebrate the industry's heroes.

The airport also continued its support of the business sector, by contributing to the Central Regional Chamber of Commerce Golf Day as well as the Customer Service Awards. The golf day is a great opportunity for local businesses to connect, network and have a bit of fun. The Customer Service Awards recognise customer service excellence.

With the opening of the new airport cafe, Café Terra Rosa, ASA, along with operator Delaware North, hosted a Business at Sunset event. Over 100 local businesses were invited to celebrate the café opening and enjoy a taste test of the new food offering.



3 / Environment and Sustainability



ADG IS THE CUSTODIAN OF LARGE AND ENVIRONMENTALLY SIGNIFICANT PARCELS OF LAND IN DARWIN, ALICE SPRINGS AND TENNANT CREEK, AND WE RECOGNISE THE NEED TO PRESERVE AND PROMOTE THE ECOLOGICAL VALUE OF THE SITES AS THEY ARE INCREASINGLY AFFECTED BY GROWING URBAN POPULATIONS.

WE ALSO STRIVE TO MINIMISE OUR ENVIRONMENTAL FOOTPRINT THROUGH ENERGY-EFFICIENT TECHNOLOGIES AND ENVIRONMENTALLY RESPONSIBLE PRACTICES.

To help guide, monitor and review the management of our natural environment, ADG has Airport Environment Strategies (AES) for DIA and ASA. The five year strategic plans were approved by the Australian Federal Government in 2009 and are due for renewal in 2014. ADG also has a comprehensive Environment Management System (EMS) and Environment Register.

Several initiatives were undertaken during the reporting period that demonstrate our commitment to monitoring and protecting our environment and sharing knowledge to ensure best practice management continues into the future.

- Studies into the ecological condition and water quality of Rapid Creek provided improved understanding and the research formed an integral part of the Darwin Harbour Integrated Monitoring and Research Program.
- Development of a Stormwater Quality Management Strategy that provides guidance during the planning, construction and operational phases of development regarding stormwater design at DIA.
- Greater biodiversity of Darwin's Rapid Creek was achieved through enhanced plantings.
- Development of a Groundwater Management Plan for ASA that aims to ensure airport operations do not adversely impact groundwater resources of the region.
- The Potential Assessment and Fire Management Plan was updated for ASA; staff were trained and control burning was undertaken to decrease the risk of fire reducing the biodiversity on the lease holding and minimise the risk of property damage.
- Draft Species Management and Action Plans were developed to improve the management of the high and moderate wildlife strike risk species on ASA and DIA.
- A gap analysis on the asbestos management practices was prepared, and further improvement to documentation and management will be undertaken in the 2013/14 reporting period.
- Integrated environment management into all the developments occurring on airport.

ENVIRONMENTAL MONITORING

ADG continually carries out extensive environmental monitoring on all airport sites to assess the effectiveness of management programs and controls established as part of the EMS. Monitoring activity across a wide range of variables was conducted at DIA and ASA during 2012/13.

DARWIN INTERNATIONAL AIRPORT

Groundwater condition and quality

Surface water/storm water quality

Macro invertebrates in Rapid Creek

Potable water quality

Erosion

Bird and animal hazards

Resource use – waste/water/electricity

Mosquito population

ALICE SPRINGS AIRPORT

Storm water drainage

Soil erosion

Coolabah photo point monitoring

Weed species and spread

Bird and animal hazards

Resource use – water and electricity

Mosquito population

Potable water

Table: Summary of Environmental Monitoring activity at ADG in 2012/13

COMMUNITY AND STAKEHOLDER ENGAGEMENT

Involving airport partners in planning and information sharing is vital to the successful implementation of the AES and the EMS. By actively engaging with the communities in which it operates, ADG can ensure its processes align with those of tenants and contractors and educate the local public on its environment and sustainability practices.

SCHOOLS & EDUCATION INITIATIVES

In April 2013, DIA and EcOz Environmental Services hosted and funded the CSIRO Scientists in Schools Program for 100 local primary students. The national program creates and supports ongoing partnerships between schools and scientists. Students were introduced to the flora, fauna and ecology of Rapid Creek in an interactive and hands-on tour of airport land that demonstrated a multitude of scientific information – from water chemistry, types of birds and fish to the man-made weir and introduced pest species.

Environment Manager Jill Holdsworth also took her knowledge of DIA's unique environments into the classroom, presenting to a Year 11 Geography class at Casuarina Senior College on the 'Interaction and interdependencies of people and the environment; a case study – Rapid Creek'. Her class presentation was followed up by a field trip to the airport so students could experience the area for themselves. Whilst at the airport the students were given a tour of the air traffic control facility by the Royal Australian Air Force.

SPONSORSHIPS

ASA and local initiative Land For Wildlife provided funds to help publish *The Alice Springs Bush Regeneration Handbook – How to bring back the bush to your buffel grass*. Authored by Andy Winter, a long standing bush generation expert in the Alice Springs area, this handbook features details on 150 local regenerating plants. An introduced species for dust control, buffel grass has spread throughout the region and the airport is proud to be involved with this education campaign to reduce its spread.

ASA made a \$2,000 donation to the Alice Springs Airport Volunteer Brigade of Bushfires NT. The volunteer brigades provide advice on bushfire management to the rural community and as volunteers they undertake a variety of tasks aimed at preventing and fighting wildfires. The volunteers were a great help to the airport conducting controlled fire burns in 2012 and 2013, and their sharing of knowledge and skills has been invaluable in reducing the airport's fire risk.



BIRD AND ANIMAL HAZARD MANAGEMENT RESEARCH

Darwin and Alice Springs Airports each implement a comprehensive Bird and Animal Hazard Management Plan (BAHM) aimed at reducing bird and animal strikes by aircraft. A series of initiatives were undertaken in the reporting year to further understand and reduce the wildlife strike risk.

■ Efforts to assist Operations Safety Officers with species identification continued with the production of location-specific Bird Identification Guides. The quick reference supports on-ground identification of the high, moderate and potential risk species to the aircraft operations at each airport.

■ A calendar outlining the times of year that certain species are present at the airfield was created, to provide guidance on when to expect an increase in bird-strike risk and when to use certain deterrence actions. Both the Identification booklets and calendars have been published online at the NT Airports website and the Australian Aviation Wildlife Hazard Working Group website to provide improved information sharing within the aviation industry.

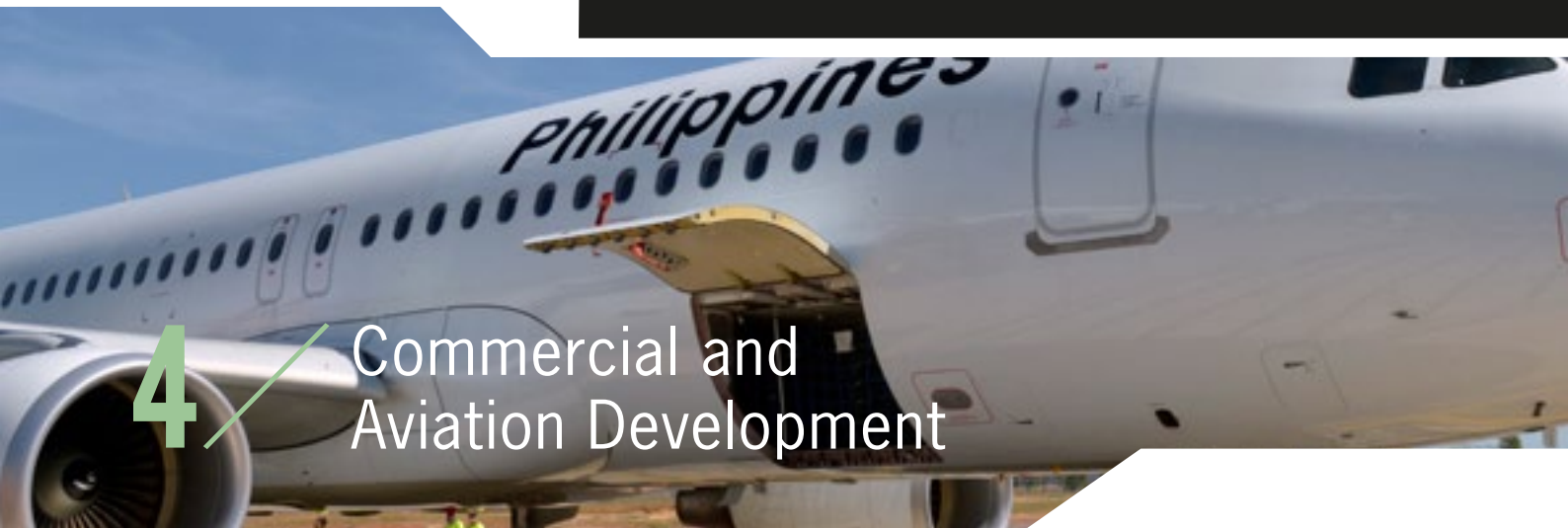
■ NT Airports Environment Manager, Jill Holdsworth, became the Australian Airports Association Representative on the Australian Wildlife Hazard Working Group Executive Committee and the Australian ambassador for the World Bird Strike Association Communications team. In these roles she has been able to bring back information and support to the Operations Teams at DIA and ASA.

■ In Darwin, analysis of the Forward-Looking Infrared (FLIR) hand held unit (which allows users to see birds at night) was undertaken. Following several trials, a vehicle mounted FLIR system was installed in the new 'Safety One' vehicle allowing the Operations Officers to improve their night vision, and visibility of birds at night, whilst driving.

■ Bird strike rates at DIA increased during the wet season, following years of unusual behaviour by Black Kites and an increase in its population in northern Australia. Resources were directed into researching this phenomenon in an attempt to reduce the hazard caused by the large numbers. Local biologists Tom Reilly and Glen Ewers from EcOz Environmental Services were contracted to undertake bird surveys and crop and gut analysis to determine what the Black Kites were eating. An agile raptor, it was found that the Black Kite eats a variety of food and DIA used this research to determine whether restricting food sources is a viable management tool. Dr Graham Brown, former Curator of Insects at the Museum and Art Gallery NT and a consultant Insect Taxonomist, assisted with crop and gut analysis and was also contracted to identify the two grasshopper species on airport.

■ To improve pilot understanding of the bird strike issue, Jill Holdsworth worked with the Australian Airline Pilot Association and presented at their Airport Liaison Representative training in Melbourne in February 2013. Jill discussed the application of the International Bird Strike Committee (IBSC) Standards at Darwin Airport and provided a case study for Runway Safety Team involvement so that the pilots could assist airports with the management of this aviation risk.





4

Commercial and Aviation Development

ADG AIRPORTS PROVIDE CRITICAL TRANSPORT LINKS TO OUR COMMUNITIES, CONNECTING REMOTE REGIONS OF THE NORTHERN TERRITORY AND ENABLING THE BUSINESS, TRADE AND TOURISM ACTIVITY THAT'S CONTRIBUTING TO THEIR GROWTH.



The Commercial and Aviation Development team is responsible for delivering three key outcomes for the business: to grow revenue streams from passenger related activities; to provide outstanding customer services; and to do so in a safe manner.

AVIATION DEVELOPMENT

ADG's route development strategy aims to provide passengers with a choice of airlines, airline models, and onward global connection opportunities. This was recognised in October 2012 when DIA took home the World Routes Marketing Award for airports under 4 million passengers. Voted for and judged by airlines, the World Routes Marketing Awards celebrate airports' efforts to attract and retain airline customers and are one of the industry's most highly regarded accolades. DIA was awarded following a year of achievements that included the commencement of SilkAir flights between Singapore and Darwin, a daily Sydney service with Virgin Australia and Airnorth services to Townsville.

DIA continued its evolution from a regional Australian airport with limited international

services, to a true gateway airport that capitalises on its key position in a growing tourism, trade and travel market between Asia and Australia. With all of South East Asia's hubs—and all of Australia's major population centres—located less than five hours' away, Darwin lies within narrowbody aircraft range of all of South East Asia and Australia. By leveraging this advantage and working with airline partners to illustrate Darwin's exceptional story of tourism, business, resources and future potential, services continued to grow. In June 2013, Philippine Airlines commenced daily flights between Manila and Darwin, and Indonesia AirAsia announced it would resume Denpasar–Darwin flights from July 2013. Airnorth's services to Townsville grew to four weekly, further connecting the two growth regions. Townsville is northern Australia's



biggest market without international air services, and connecting it to Asia via Darwin is a natural next step. DIA will continue to further pursue opportunities to connect regional points to Asia and beyond; making Darwin a true hub for northern Australia.

The Central Australian tourism industry was buoyed by the return of low-cost carrier Tigerair to Alice Springs in April 2013. Central Australia is one of Australia's key tourism—and most air-dependent—regions, yet suffered from a decline in air access in recent years. ADG worked very closely with Tigerair to resume services to Alice Springs from Melbourne, and to add a new service to Alice Springs from Sydney. By identifying ways to improve upon the airline's previous market entry, and providing extensive market, route and fares analysis, we were able

to demonstrate that Tigerair could successfully deviate from its business model and serve Alice Springs. We successfully presented an operation that minimises operating costs while maximising access to Australia's two largest markets. In doing so, we've not only made a Central Australia holiday more accessible to Australians than ever, but we've also made the rest of the world a lot closer for our Alice Springs community.

Further improving connections across the Territory was the introduction of services between Alice Springs and Tennant Creek by Chartair. The twice weekly services operate on Mondays and Wednesdays and are complemented by a weekly service from Alice Springs to Kiwirrkurra, in Western Australia. Both routes have been subsidised by the Australian Government under the Remote Air Services Subsidy Scheme (RASS).

As well as its base in Alice Springs, Chartair operates out of Darwin, Katherine, Tennant Creek and Borroloola. The company recently added three pressurised, air-conditioned Cessna Conquest II multi-engine turbine powered aircraft to its fleet. One of these is now based in Alice Springs, bringing capability of this level to the region for the first time in 10 years. The other two aircraft are based in Darwin.

PASSENGERS

As a hub to Asia, Darwin's passenger mix consists of arriving and departing point-to-point passengers, as well as transit and transfer traffic. Over 2.2 million passengers travelled through DIA in 2012/13, with a 3% increase in international arriving and departing passengers and 4% increase in domestic arriving and departing passengers. Approximately 83% of passenger traffic was domestic with the remainder international.

However, during the period there was a reduction in transfer and transit passengers which led to an overall drop in passenger movements through the Airport. This was due in part to changes in airline scheduling.

The year was positive at ASA with an overall 5% increase in passenger numbers compared to the previous financial year. ASA benefited from a number of airline schedule changes that resulted in a significant increase in transit and transfer traffic as well as the resumption of Tigerair services in the second half of the year.

DARWIN INTERNATIONAL AIRPORT

International Passengers

Total international Origin/Destination (OD)	306,403
Variance to prior year	3%
Total international transit passengers	78,519
Variance to prior year	-44%
Total international passengers	384,922
Variance to prior year	-12%

Domestic Passengers

Total domestic Origin/Destination (OD)	1,722,414
Variance to prior year	4%
Total domestic transit passengers	94,855
Variance to prior year	-41%
Total domestic passengers	1,817,269
Variance to prior year	-3%

Total passengers DIA	2,202,191
Variance to prior year	-2%

ALICE SPRINGS AIRPORT

Passengers

Total domestic Origin/Destination (OD)	452,928
Variance to prior year	1%
Total domestic transit passengers	152,980
Variance to prior year	17%
Total domestic passengers	605,908
Variance to prior year	5%



Retail partners

FOOD AND BEVERAGE

In February 2013, Delaware North Companies commenced operation as the new food and beverage (F&B) operator at both DIA and ASA terminals. The first upgraded outlet, Café Terra Rosa, opened in Alice Springs in May, followed by a Hungry Jacks burger restaurant and a new concept called Bumbu in Darwin in June.

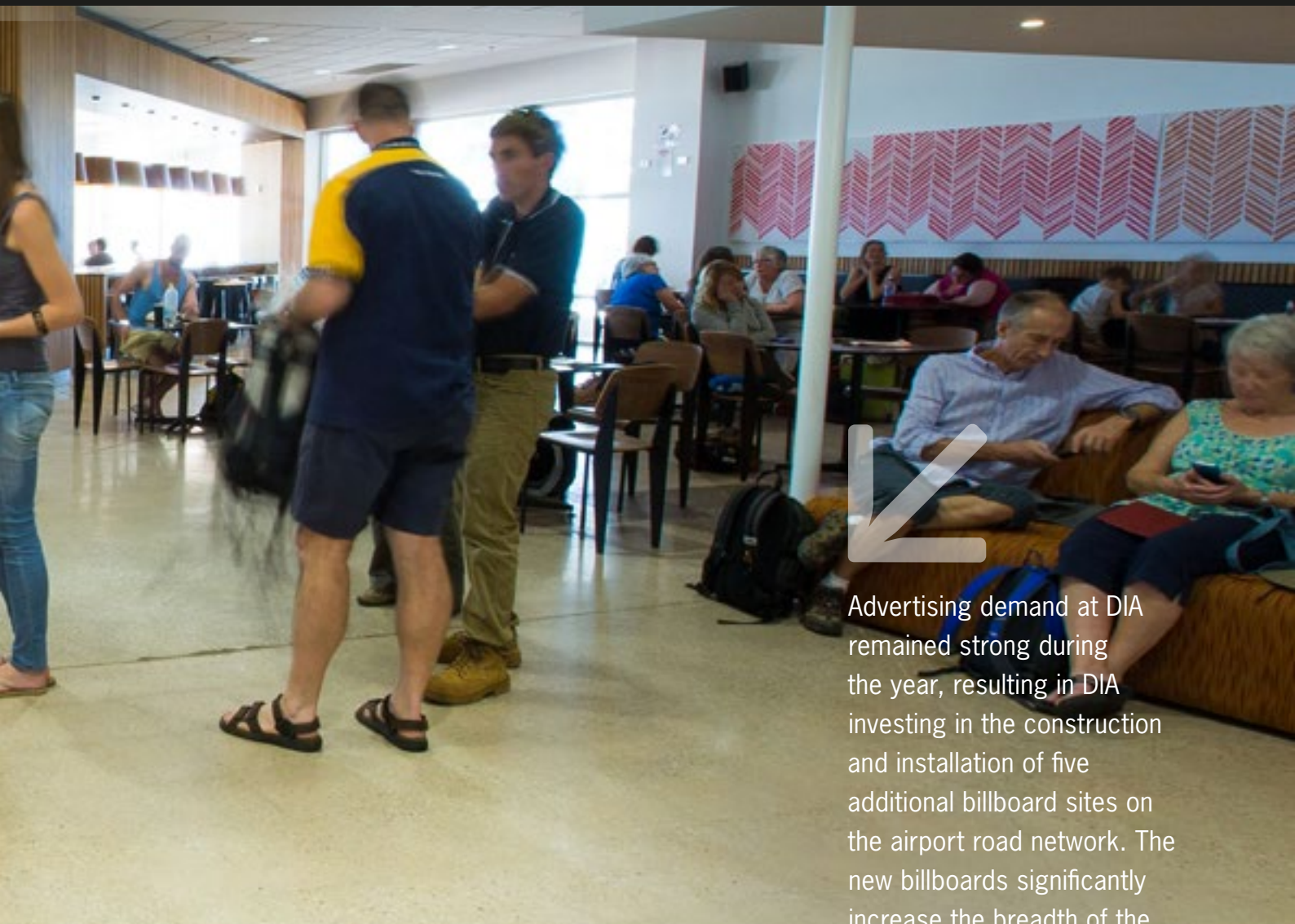
The Bumbu concept, which means 'spice paste' in Indonesian, was developed in collaboration with well-known Territory foodie Jimmy Shu, delivering a South East Asian menu.

Delaware North Companies and DIA also undertook concept design planning in 2012/2013 for the additional new food and beverages outlets to open as part of the Darwin Terminal Expansion Project in the year ahead. They will include an expanded Giancarlo Café & Bar in the Arrivals Hall, Dome Café, a new Bar, a fresh food outlet, a convenience offering and a new International F&B outlet.

NEWS AND GIFTS TENDER

In 2012 ADG issued a Request for Proposal for the upcoming expiry of the News and Gifts leases at both DIA and ASA. The two shortlisted tenders were reviewed by a Challenge Panel that was facilitated by an independent chairperson and included a selection of industry professionals, community and airport user representatives. A selection of DIA and ASA staff also provided background information and guidance to the panel. Each company presented their offers, brands, products and customer service elements, after which panel members had the opportunity to ask questions, debate amongst themselves, and provide their feedback to ADG.

The Challenge Panel feedback provided valuable insight and perspective from the wider airport community and was considered in conjunction with ADG's own evaluations in conjunction with financial results. The incumbent, Australian Way Pty Ltd, was announced as the successful operator in June 2013.



Advertising demand at DIA remained strong during the year, resulting in DIA investing in the construction and installation of five additional billboard sites on the airport road network. The new billboards significantly increase the breadth of the advertising offering.

GROUND TRANSPORT

Several new initiatives around the passenger pick-up procedures at DIA were implemented and planned during the reporting period. With challenges around communicating the enforcement in the public access lane to be drop-off only, specific signage and marketing collateral was created to convey the message and provide background to the public. A dedicated pick-up area was developed within the short-term car park, and a covered shelter within the car park was approved, due for completion in October 2013.

Terminal Expansion works created a requirement for several existing Car Parks to be temporarily closed and relocated to alternative short term locations, including the relocation of Permit parking and Limousine parking. The various relocations took place during May and June 2013.

In order to meet growing Long Term Car Park customer demand, the General Aviation Car Park was expanded with construction works

commencing in June 2013. An additional 170 car park bays, including parking for extended vehicles or vehicles with trailers, is now available ahead of the Christmas peak. This will bring total long term parking capacity to over 450 bays, which will be serviced by a complimentary shuttle service.

Following the completion of the General aviation Car Park Expansion a promotional campaign will be introduced to raise awareness of the parking facility, location and parking options for customers to help alleviate the demand on the current Long Term Car Park.

Further progress is planned for the next phase of the Ground Transport strategy, ensuring that DIA is well positioned to meet current demand and future requirements.

In Alice Springs, management of advertising was brought in house and new short-term contracts were signed for a number of the lightboxes.



5 / Airport Operations



THE EFFECTIVE OPERATION OF OUR AIRPORTS' TERMINAL AND AIRSIDE FACILITIES PROVIDES A SAFE AND SECURE ENVIRONMENT FOR AIRPORT USERS AND ENSURES WE MEET THE EXPECTATIONS OF OUR AIRLINE CUSTOMERS.





Our Operations teams are regularly met with daily challenges that are unique to our airport locations, and the development of procedures and solutions to handle these situations is reflective of their innovative and adaptable approach. Throughout the previous year, our teams have facilitated a number of initiatives across airside operations, capital projects and infrastructure maintenance.

In Darwin, preparations continued for the changes that are expected in the operating environment during the construction stages of the Terminal Expansion Project (TXP).

SECURITY

DIA upgraded its masterkey system, installing a wireless electronic system that will deliver a range of security enhancements. Mechanical locks were replaced with electronic cylinders that can only be unlocked with electronic keys that have been pre-programmed with individual access permissions. Any time a key is used, the date and time information is stored in both the lock cylinder and key, including any unauthorised attempts to gain access.

The system was designed to provide the required security capabilities across a large site while handling a wide range of stakeholders. To facilitate access, a Keyport was installed in the Terminal and at various airside gate locations. The gate Keyports are powered utilising solar and a 3G wireless internet connection, an innovation that's never been used with this equipment before. The new system is robust and user-friendly, meets all of our unique aviation security requirements and can withstand the harsh climate of the Northern Territory.

In early May 2013 the first of two enhanced inspection points was implemented. This inspection point, located to the eastern end of the Security Restricted Area (the RPT apron) captures 90% of all vehicles requiring access to the apron. The new facility was created to ensure compliance with the federally regulated requirement for all vehicles to be inspected prior to moving airside to the RPT apron. This inspection includes a face to ASIC check of all occupants, a visual inspection of the vehicle and a visual inspection of any bag being carried.

AIRFIELD WORKS

Significant upgrade and maintenance works were carried out on DIA's airfield during the reporting period. Concrete work to improve the strength of Bays 2 and 3 for Ground Service Equipment storage was completed in September, with high strength concrete used to replace the rotting and failing asphalt.

Planning and design works for the Regular Public Transport (RPT) Apron were completed and the scope of works included demolition of the old RAAF Surveillance radar building at the western end of the existing apron (near the Ground Service Equipment storage area), a fuel line extension to cater for three new aircraft bays and changes to the airside road location as a result of the expansion. Works commenced in June 2013 and are due to be completed in January 2014.

Planning continued for the replacement of the floodlighting at the northern and southern General Aviation Aprons to bring lighting up to Civil Aviation Safety Authority (CASA) compliance standards. In addition, design progressed on the overlays and maintenance works for Taxiway Zulu and the Southern GA Apron, and these projects will be completed in conjunction with one another.

A joint project with Defence, works involving the resurfacing and addition of shoulders to Taxiways A, B1, C, D and E1, replacement of centreline lighting, illuminated Movement Area Guidance Signs and RWY guard lights were put out to tender and construction commenced in July 2013.

Emergency exercises

EXERCISE FLAME

As part of ADG'S emergency planning, table top and field exercises are carried out each year to test and review roles and responsibilities, and make sure the airport and agencies are well-equipped to work together in an emergency situation.

Table top Exercise Flame 2012 was held in August 2012 with 40 participants and observers from RAAF, DIA, Qantas, Cobham, Airtnorth, SilkAir, Vincent Aviation, Shell Aviation, JAFS, AFP, NT Police, NT Emergency Services, ARFF, Salvation Army and Australian Red Cross. NT Airports Safety and Standards Manager Bob Calaby facilitated the exercise, which involved a ground accident and fuel fire. The scenario, notionally in real time, saw a Dash 8 aircraft being prepared for departure from Darwin. Passengers were boarding the aircraft while servicing and refuelling were taking place. A ground vehicle collision saw a massive fuel spill and subsequent fire where a number of passengers suffered burns.

With the exercise objectives being to test the Aerodrome Emergency Plan and the resilience of the airport and agency procedures, agency responses and notional resources were sought by the facilitator. Some interesting hypothetical situations were drawn out and

the debrief identified key learnings, including knowledge that activation of fuel emergency stops also sends a fire alarm to ARFF, and identification of flow routes should a large amount of fuel enter the airport drainage.

EXERCISE SLIPPERY SHORTS

A successful full field emergency exercise was held at ASA in November that involved the notional collision of two small aircraft on the commuter apron. The exercise was titled 'Slippery Shorts' as it involved an old Shorts 330 and a fake oil spill. At the same time, the team at Qantas conducted a separate emergency exercise to test their Passenger Reception Area and Crew Reception Area processes. The exercise engaged multiple agencies and tenants of the airport, including Airservices Australia, Aviation Rescue and Fire Fighting (ARFF) service, St. John Ambulance, NT Police and NT Fire and Rescue Services. Red Cross attended to participate in the Qantas exercise.

The exercise was designed to test the communication between the airport and emergency agencies and to assess the protocol that exists between the airport and emergency support units. Both exercises also benefited from testing the actual call



out process. Since the withdrawal of AFP, the Air Traffic Control Tower wanted to test the emergency phone in a simulated emergency situation. As such the actual call out procedures were conducted by NT Police. There was good inter-agency communications and proper response by all agencies and an excellent learning experience.

EXERCISE POL AIRVJD

Emergencies in cities are taxing on emergency resources but in outback Australia they can present an even bigger challenge. To test the emergency response at Tennant Creek, the airport in conjunction with NT Police and NTES (Northern Territory Emergency Services) participated in a table top Emergency Exercise Pol AIRVJD in December. Other participating agencies included NT Fire and Rescue, Bushfires NT, Office of Children and Families, Dept. of Health (Tennant Creek Hospital), NT Emergency Services Volunteers, Parks and Wildlife, Dept. of Infrastructure, St. John Ambulance, Power and Water Corporation and Dept. of Housing.

Ian Slade, TCA Aerodrome Reporting Officer was joined by the team from ASA to run through the scenario, which involved an NT Police aeroplane with seven passengers

(three VIP) and two crew on board experiencing landing gear issues, resulting in a crash landing at Tennant Creek Airport.

All participating agencies walked through their processes and responses in real time, including notation of the availability of resources. Discussions during the exercise included exploring alternative resources potentially available when the primary responding agencies may not be able to accommodate the demands of a given situation. These also included discussion of possible alternatives if the airport were to be closed due to the emergency. This exercise highlighted how small towns can come together in times of emergencies and volunteer extra services from the private sector to supplement the resources of the primary responding agencies.



6 / DIA Terminal Expansion



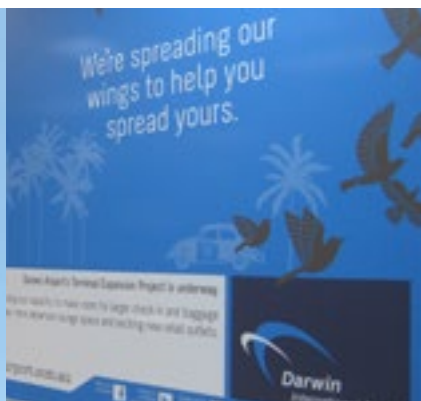
THE DESIGN AND CONSTRUCT CONTRACT FOR THE EXPANSION OF DIA'S TERMINAL WAS FINALISED WITH BUILDER WATPAC IN MAY 2013, FOLLOWING A DETAILED PLANNING PHASE.



TERMINAL EXPANSION
Project

Designed to improve efficiencies for our airline customers and terminal operators; and improve the travelling experience for passengers, the expansion will allow for a doubling of our current peak-hour capacity.





With improved facilities, DIA will be positioned perfectly for growth—our airline partners will be able to better grow their businesses, and our capability to develop new routes and grow services to the Top End will be enhanced.



PROJECT SCOPE

The terminal will grow from 16,000 to 27,000 square metres and create room for additional departure lounge areas; improved baggage systems and security screening areas; an expanded check-in area; and vastly upgraded facilities for international travellers.

Excitingly for frequent travellers, the existing Qantas lounge will be completely redesigned and increased in size to cater for the growth of services to the region during recent years. In a sign of its commitment to the Top End and in line with its full service business model, Virgin Australia will be opening its first ever lounge facility in the Northern Territory.

The expansion will also involve significant refurbishments to existing terminal areas, including upgrades to our retail outlets and the opening of new stores. The first of these, Hungry Jack's, Bumbu and Giancarlo Café & Bar are now operating; the next store to open will be Dôme Café in early 2014.

Practical completion of the eastern and western extensions is expected in the third quarter of 2014, with the remaining fitouts and store upgrades completed by December 2014.



7 / Property



ADG'S VISION FOR DEVELOPMENT ON ITS AIRPORTS IS ONE THAT AIMS TO CREATE DIVERSE, LONG-TERM BUSINESS OPPORTUNITIES WITHIN THE COMMUNITIES WE SERVICE.

During the past financial year a number of new opportunities and completed projects have further contributed to a comprehensive portfolio that includes commercial and aviation-related property developments.

TOP END MEDICAL RETRIEVAL SERVICE FACILITY

At the beginning of 2013, CareFlight was still operating out of interim facilities following its appointment as the service provider of the Top End Medical Retrieval Service (TEMRS) contract by the Northern Territory Government. DIA engaged directly with CareFlight to develop substantial and specialised facilities that would sustain the aeromedical organisation for the duration of its long-term contract.

With a combined area of over 10,000 square metres, the new hangar and floodlit apron provide Careflight with ample room for its operations. All Darwin-based aircraft can occupy the space at once, and patients are able to be transferred undercover. The facility also boasts office space for administrative staff, accommodation for overnight duty crews and a clinic room for patients.



NT POLICE AIR SECTION

The NT Police Air Section is now housed in a new facility on airport at Alice Springs. The investment, which responded to an NT government Expression of Interest (EOI), involved the development of a hangar and associated offices as well as the provision of roads, services and airside infrastructure such as taxiway, apron and lighting. An agreement has been entered into with the NT Government for the facility for an initial 10 year term.

Ahrens was appointed by ASA to design and construct the NT Police facility, and ASA carried out the associated airside and landside infrastructure works. This concurrent development has provided a second site of 1,750sqm (adjacent) with airside frontage that is now available to meet future demand.

JKC CAR PARK FACILITY

Construction activity related to the development of the INPEX Ichthys LNG plant was seen at many sites across the Darwin region in the past financial year, including at DIA. JKC Australia LNG Pty Ltd are undertaking the construction of the LNG plant and its associated infrastructure. In February an agreement was reached with JKC for DIA to provide a 'park-and-ride' facility. The 400 bay car park sits on a landscaped site on the western side of Charles Eaton Drive, and provides a central location for JKC employees, consultants and contractors to park their cars before being bussed to work at its Blaydin Point construction site. In conjunction with this development, the nearby General Aviation (GA) Car Park was expanded by an additional 171 bays.

AXIS 12° 130°

AXIS 12° 130° aims to provide the first fully integrated, master planned and controlled commercial environment of its kind within the Northern Territory. The evolution of the 60 hectare precinct continued in 2012/13, with works beginning on essential infrastructure to provide sewerage and electrical services to the site. In June 2013 the Board approved the establishment of a warehousing and logistics precinct to complement the commercial, retail and entertainment land uses already proposed. The development of a petrol station at the corner of Neale Street and McMillians Road was also approved during the reporting period, with a preferred operator appointed.

QANTAS RAMP ENGINEERING

Due to works at the western end of the terminal as part of the Terminal Expansion Project, the Qantas Ramp Engineering facility required a new location from which to base their operations. A modern facility will be constructed on a new site near Taxiway Victor, with provision of all services and adequate space to cater for future growth of Qantas' operations.



Financial Performance Report

INCOME STATEMENT		2009	2010	2011	2012	2013
		\$'000	\$'000	\$'000	\$'000	\$'000
Revenue						
Aeronautical		47,816	50,544	54,546	58,430	63,092
Trading		10,656	11,968	13,583	14,040	14,260
Property		8,930	9,477	10,455	11,983	12,090
Other income		4,217	4,307	5,494	5,814	8,136
Total Revenue		71,619	76,296	84,078	90,267	97,578
Operating Expenses		30,648	31,398	35,183	36,066	39,544
EBITDA*		40,971	44,898	48,895	54,201	58,034
Margin		57.2%	58.8%	58.2%	60.0%	59.5%
Increments/(decrements) in fair value of investment properties		23,648	8,010	(7,790)	(3,895)	5,883
Net gain on interest rate swap contracts		347	(2,487)	45	(7,184)	(5,361)
Depreciation and amortisation		(11,213)	(11,939)	(12,430)	(12,842)	(13,825)
Impairment expense - infrastructure assets		(2,321)	14	(86)	15	(36)
Finance costs		(14,644)	(17,085)	(16,916)	(17,503)	(17,774)
Net Profit/(Loss) Before Tax Total ADG		36,788	21,411	11,718	12,792	26,921
Income Tax (Expense) Benefit		(10,898)	(5,725)	(3,554)	(3,594)	(7,644)
Net Profit/(Loss) After Tax		25,890	15,686	8,164	9,198	19,277

SOME NOTEWORTHY ASPECTS

Revenue

\$97.5m

(last year \$90.2m)

Earnings before interest, tax, depreciation and amortisation

\$58.0m

(last year \$54.2m)



an increase of

7.1%

Net profit before tax

\$26.9m

(last year \$12.7m)



an increase of

110.4%

Increase in the fair value of investment properties

\$5.8m

(last year a decrease of \$3.8m)

* EBITDA represents Earnings before Interest expense, Tax, Fair value adjustment on Investment Property, Unrealised gains, Depreciation and Amortisation.

BALANCE SHEET	2009	2010	2011	2012	2013
year end 30 June	\$'000	\$'000	\$'000	\$'000	\$'000
Cash	13,045	22,123	21,668	19,888	19,443
Total assets	382,475	399,858	394,086	393,284	414,552
Interest Bearing Liabilities	203,205	211,207	227,167	239,708	264,777
Total Liabilities	264,465	280,463	294,825	310,625	345,115
Total Equity	118,010	119,395	99,261	82,659	69,437



There has been a net increase in Total Assets resulting from:

A decrease in cash.

An increase in the fair value of Investment Properties.

A increase in infrastructure, plant and equipment being the net impact of asset additions/disposals and depreciation.

CASH FLOW

Net cash flows from operating activities

\$31.8m

(last year \$33.0m)

After funding capital expenditure cash balances decreased by \$0.4 million to \$19.4 million (last year decreased by \$1.7 million).

OTHER KEY FACTS

Revenue growth

8.1%

on the previous year

(2012, 7.3%)

Growth in expenditure of

9.6%

compared to last year

(2012, 2.5%)

Negative passenger growth of

0.8%

(2012, 3.1%)

Invested more than

\$208M

in capital works since 1998

Capital investment in Darwin a total \$25.7m with the major items being terminal building \$9.6m, Commercial projects \$9.1m and security related \$3.8m.

Interest Rate Management

The consolidated entity's senior debt facility 1 and 3 is due for expiry in October 2014. Facility 1 and 2 were used to repay previous debt facilities whilst facility 3 is used to fund the ongoing aeronautical capital expenditure requirements of the consolidated entity.

The Group manages its exposure to interest rate fluctuations using interest rate swaps.

Loan facilities are interest only and interest is charged at the bank bill rate plus a margin which is determined by the interest coverage ratio. Interest is generally payable quarterly.

Annual Report for the 12 months to 30 June 2013

The Annual Report for the 12 Months to the 30 June 2013 comprises:

directors report
auditors independence declaration
financial report
directors declaration

independent auditors report to members
is available on the company's website
www.ntairports.com.au

Alternatively a copy may be obtained from NT Airports Pty Ltd.

Fast Facts

FINANCIAL YEAR ENDING	2009 \$'000	2010 \$'000	2011 \$'000	2012 \$'000	2013 \$'000
Passengers					
DIA	1,998,000	2,140,000	2,287,000	2,254,000	2,202,000
ASA	676,000	681,000	638,000	578,000	606,000
Total	2,674,000	2,821,000	2,925,000	2,832,000	2,808,000
Aeronautical Charges (ex GST)					
Passenger facilitation Charge (\$/pax) **					
DIA	7.07	7.42	7.49	8.70	8.97
ASA	5.71	5.99	6.17	8.11	8.35
TCA	N/A	N/A	N/A	N/A	N/A
Airport Services Charge (\$/pax) **					
DIA	6.69	7.02	7.23	7.45	7.67
ASA	6.94	7.28	7.50	7.72	7.95
TCA	18.00	18.00	18.00	18.00	18.00
Landing Charges General Aviation \$/MTOW **					
DIA	20.00	20.50	21.00	21.63	22.28
ASA	20.00	20.50	21.00	21.63	22.28
TCA	23.00	23.00	23.00	23.69	24.40
Revenue \$000 ***					
DIA	48,741	52,444	60,224	64,797	69,992
ASA	14,348	16,086	15,152	15,165	16,441
TCA	394	161	210	198	207
Other	(23)	70	134	32	(78)
Total ADG	63,460	68,761	75,720	80,192	86,562
AFP Trust*	0	0	0	1,407	2,209
Total all entities	63,460	68,761	75,720	81,599	88,771
EBITDA \$000 ***					
DIA	30,967	33,577	38,054	43,224	46,163
ASA	9,808	11,315	10,903	10,967	12,001
TCA	158	(126)	(260)	(93)	(130)
Other	38	132	198	103	0
Total ADG	40,971	44,898	48,895	54,201	58,034
AFP Trust			(792)	1,264	1,521
Total all entities	40,971	44,898	48,103	55,465	59,555

* AFP Trust Deeds signed 5th August 2010

** as at 30 June

*** excludes safety and security charge revenue.

FINANCIAL YEAR ENDING	2009	2010	2011	2012	2013
	\$'000	\$'000	\$'000	\$'000	\$'000
Net Profit Before Tax					
DIA	15,748	3,194	2,657	16,474	23,750
ASA	9,558	11,309	1,346	(895)	4,369
TCA	148	(137)	(371)	(105)	(197)
Other	11,334	7,045	8,087	(2,681)	(1,000)
Total ADG	36,788	21,411	11,719	12,793	26,922
AFP Trust			(792)	6,343	2,186
Total all entities			10,927	19,136	29,108
Capital Expenditure \$000					
DIA	18,742	10,639	8,719	9,410	25,730
ASA	10,782	1,508	3,359	10,142	2,275
TCA	10	14	102	16	64
Total ADG	29,534	12,161	12,180	19,568	28,069
AFP Trust			6,343	6,370	338
Investment Property movement in fair value					
DIA	14,814	(1,792)	(7,751)	(793)	4,359
ASA	8,834	9,802	(39)	(3,102)	1,525
Total ADG	23,648	8,010	(7,790)	(3,895)	5,884
AFP Trust	0	0	0	5,589	1,439
Total all entities	23,648	8,010	(7,790)	1,694	7,323
Airport Development Group					
Cash	13,045	22,123	21,668	19,888	19,443
Total assets	382,475	399,858	394,086	393,284	414,552
Interest Bearing Liabilities	203,205	211,207	227,167	239,708	264,777
Total Liabilities	264,465	280,463	294,825	310,625	345,115
Total Equity	118,010	119,395	99,261	82,659	69,437
Net cash from operating activities	16,934	25,826	26,295	33,053	31,813
AFP Trust					
Cash			13	1,177	829
Total assets			7,507	20,148	20,156
Interest Bearing Liabilities			5,115	12,178	12,245
Total Liabilities			7,712	14,009	11,832
Total Equity			(205)	6,138	8,324
Net cash from operating activities			(105)	764	1,353
Employees					
DIA	61	66	74	73	72
ASA	13	13	12	14	13
TCA	1	1	1	1	1
Total ADG	75	80	87	88	86

Airport Development Group



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