annual (19)

vision

"To be recognised as New Zealand's leading tourism gateway"

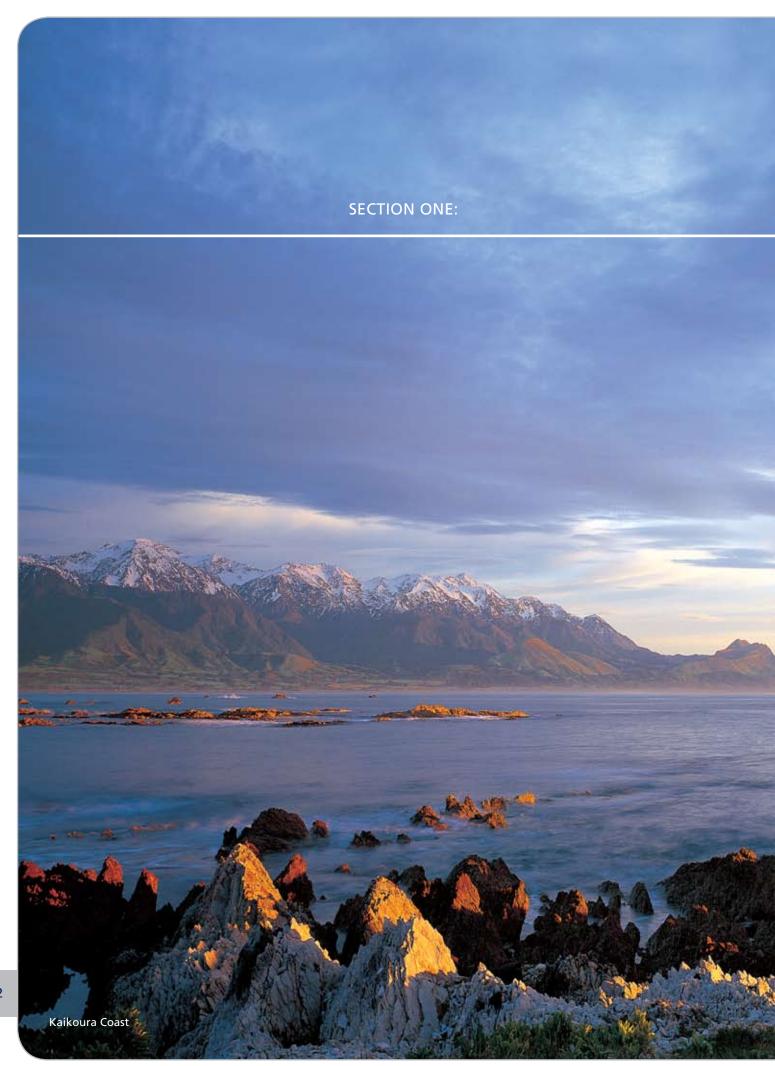
purpose

"To target success through customer service, efficiency and diversification"

CIAL is proud to present this annual report printed on Splendorgel paper. Splendorgel is a FSC Mixed Sources Certified paper, which ensures that all pulp is derived from well-managed forests and controlled sources. It is elemental chlorine free bleached and is manufactured by an ISO 14001 certified mill.

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YEAR AT A GLANCE

5,908,077 Passenger Movements

Total passenger movements increased by approximately 3,000 over the same period ending 30 June 2008, a solid result in the current environment.

82,073 Aircraft Movements

Total aircraft movements decreased by approximately 2,000 (2%) over the same period ending 30 June 2008, reflecting airlines' drive to improve aircraft loadings and route yields.

\$89.9 million Operating Revenue

Operating revenue increased by 5.6% for the year to 30 June 2009 compared with the same period last year.

\$55.5 million EBITDA

EBITDA from operations, excluding revaluation of investment property, increased by 5.2% over the same period ending 30 June 2008.

\$14.7 million

Total Surplus After Tax

The operating surplus after taxation, including a devaluation of investment property, decreased by \$8.7m (-37%) over the same period ending 30 June 2008.

\$12.9 million Dividends Paid

\$31.9 million Investment in

Airfield, Terminal, Car Parking and Property Projects

\$9.72 per share

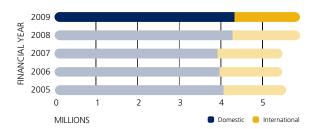
Net Asset Backing

Net asset backing per share in 2009 was \$9.72 (\$9.78 in 2008).

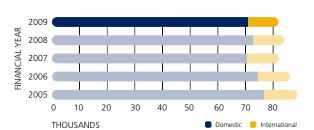


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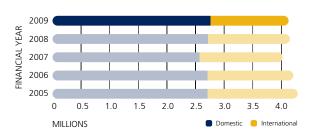
Passenger Movements



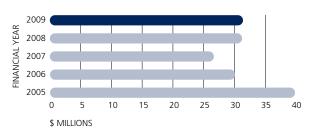
Aircraft Movements



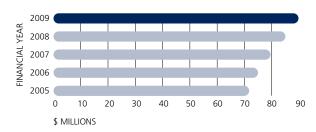
MCTOW Tonnes



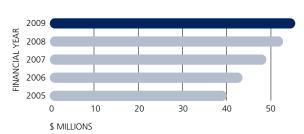
Capital Expenditure



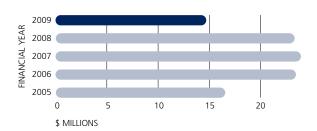
Revenue*



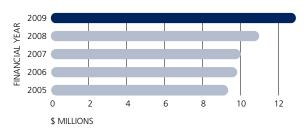
EBITDA*



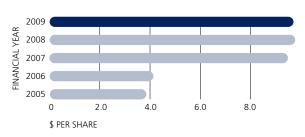
Surplus After Taxation*



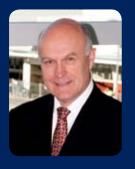
Dividend Payment



Net Asset Backing per Share



 $\ensuremath{^{\star}}$ The results for 2005 were not prepared under NZ IFRS



2008/09 has been a challenging year for business generally, and CIAL has not been immune to the effects of the global recession.

Net Profit after Tax, at \$14.686m, was significantly below budget (-33.4%) and the prior year's performance of \$23.359m (-37.1%). While the company

achieved an acceptable financial operating performance, shown by its EBITDA result, overall Net Profit after Tax has been adversely impacted by a devaluation of its investment properties as well as a write off of some costs relating to the initial development of the terminal design.

As a result, return on average shareholders' equity (2.6%), and dividends are lower this year. The Board is committed to achieving improved rates of return, but in the short term this will be affected by the current environment, and economic impacts faced by our major airline customers.

Our Strategic Plan was comprehensively reviewed this year. It incorporates current initiatives in progress, as well as changes necessary to deal with the affects of the presently constrained economic environment.

The year has seen progress made across our aeronautical, commercial and property business streams, all aimed at assisting CIAL towards the achievement of its vision to be recognised as New Zealand's leading tourism gateway. This year has also seen the final confirmation to award the tender for the development of the new integrated terminal, and the beginning of the substantive capital works.

Commencing this project now reflects the reality of airport business planning. Infrastructure assets such as the new terminal necessarily involve long term horizons. Our view is that the current levelling of passenger numbers will be replaced by a return to normal business growth by the time the terminal project is completed in early 2012. The new domestic terminal will be substantially completed in 2011, in time for the Rugby World Cup.

We are also working to mitigate the effects on CIAL of the various pressures the aviation sector is experiencing. As a consequence, CIAL is actively pursuing diversification of its revenue streams (particularly through the development of some of its available land holdings), and expenditure reduction projects, all aimed at making CIAL a better business and improving overall long term shareholder value.

The board of CIAL is firmly of the view that it is imperative that the business pursues initiatives to diversify its operations and reduce its reliance on volatile aeronautical income. This will ensure a more stable revenue platform, increased protection from variable and economically constrained aeronautical operations, and give CIAL confidence to make

finding solutions in

the investment decisions necessary to provide essential aeronautical infrastructure, which will always be the core of our business.

The efficacy of the regulatory environment affecting airport development and aeronautical pricing is a matter of concern to CIAL. The current system encourages litigation, with its consequential costs, both direct, and indirect through such things as delays to capital projects. It also makes long term investment decisions more difficult than they should be, given the revenue uncertainties created.

The Commerce Amendment Act is intended to incentivise innovation and investment, and improve efficiencies and service quality, but already there are signs that input methodology settings will reflect traditional thinking. It is important that future airport pricing frameworks be totally re-thought. CIAL would prefer that economic policy were the function of an independent economic regulatory authority free from the Commerce Commission's competition monitoring role.

Late in 2008, the Board received the resignation of its then Chief Executive, Rene Bakx, who wished to seek new opportunities. In May 2009 we were pleased to appoint Jim Boult, who had been Acting Chief Executive since February, to fulfil the role of Chief Executive, effective 1 July 2009. Jim had been a director of CIAL since 2003, and resigned as a director to take up the chief executive role.

In February the company agreed a freeze on executive management team salaries, and the board also decided to freeze directors' fees for the coming year, a decision consistent with other ongoing company initiatives to manage costs and in recognition of the current economic climate.

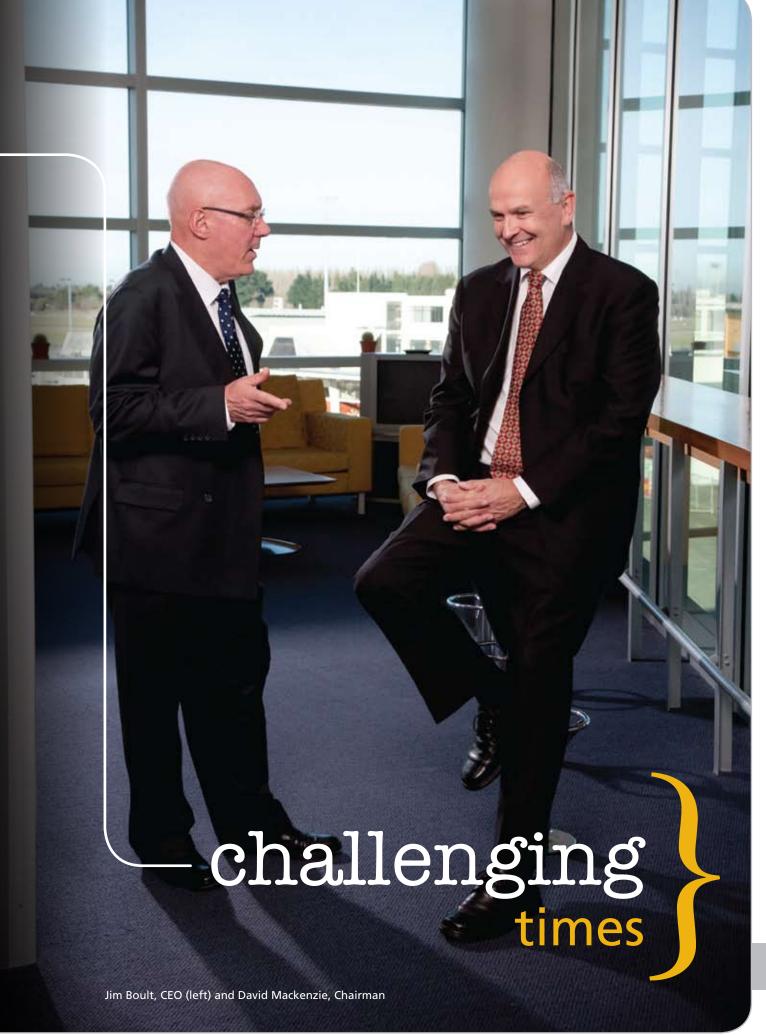
I am confident that 2008/2009 has seen the worst of the current environment's impact, and that CIAL will move its performance forward over coming years. The company will actively pursue its strategies to ensure that, over time, shareholders will achieve the required return on investment.

CIAL will ensure that it is the successful business entity it needs to be to properly service its customers, as well as providing significant support for long term economic growth in Canterbury and the South Island.

Millidagi

David Mackenzie Chairman





Strong relationships



The year has been one of substantial upheaval, change and review across our business, but despite this, a number of major projects have been initiated and are progressing well, positioning the business to enter a more settled year of consolidation following the directional changes made this year.

While Net Operating Profit after Tax was both below budget and last year's result, operating performance (measured by EBITDA) was only marginally below budget (at \$55.556 million) and was 5.2% over 2008's result of \$52.806 million. Given the economic impact of the global recession and its impact on tourism activity, CIAL was pleased to achieve a small overall increase in passenger movements over 2008 levels, although well below budget. The combined effects of relatively static passenger numbers, along with a delayed implementation of the aeronautical price increase (held constant for over eight years) were offset by improved concession and commercial revenues to achieve what we consider in the circumstances to be a satisfactory outcome.

That the company's operational performance was a reasonable one in the circumstances is due in no small part to the efforts of our people, all of whom have invested considerable efforts to review the business and identify efficiency initiatives, reduce operating expenditure and increase revenue.

The macro environment in which we operate has experienced significant adverse economic impact which has necessitated fluidity in our operations and our strategic planning. Due to the current recession, the tourism industry is suffering a downturn in the volumes of passenger traffic

through New Zealand airports, with immediate and severe repercussions to our airline customers. The recent H1N1 "Swine Flu" pandemic has further exacerbated the issues facing the industry.

The economic recession has also had a constraining influence on the commercial property sector and has negatively influenced the demand for and the development of new property initiatives which are at the core of our long term property strategy.

Additionally, the company's protection of its 24/7 operating environment has been under increased pressure as opposition from property developers and landowners increases, with regards to the land use in areas affected by the airport's noise contours. CIAL has held a number of consultation and information sessions with affected parties to discuss the shape of CIAL's proposed contours, and remains committed to following the proper processes as determined by the statutory authorities.

In order to ensure we are operating at the most efficient level possible, this year has seen a thorough reassessment of every aspect of the company's business, including the potential to outsource the non-core business service groups. These reviews are now complete and we expect the coming year to be one of consolidation of the changes made.

Financial performance

Airline and market growth potential has been influenced by reduced international passenger movements as a consequence of the economic recession. Availability of fuel efficient aircraft suitable for this market, and volatile fuel costs, are also having a detrimental effect. The pressure being felt by our airline customers also impacts on CIAL, with unsatisfactory returns from airfield charges due to the delayed pricing reset, and setbacks in the introduction of new services.

The year has ended with a Net Operating Profit after Tax of \$14.686 million, significantly below the \$23.359 million achieved in 2008. While operating performance (EBITDA \$55.556 million) was only marginally below budget the significant reduction in Net Profit after Tax is due primarily to the write-off of some of the earlier terminal development costs previously captured as capital work in progress, together with a devaluation of investment properties due to the affect of current economic conditions on land valuations. Additionally, the delay in the reset of airfield charges as a consequence of the extended pricing consultation process, and a small decline in international passenger movements, also impacted the operating outcome. This reduction in revenue was offset by improved commercial returns and reduced interest costs.

Market growth and performance

The global recession is driving airlines to reconsider routes being flown and some have actively pursued options to deliver further efficiencies, ensuring that they are suitably positioned to continue operating. Locally, we have seen this in the rationalisation of the Qantas parent group operation in the New Zealand domestic market, with the withdrawal of Qantas and the introduction of the group's low cost Jetstar domestic services from June 2009. Likewise, Air New Zealand has begun a higher utilisation of turbo prop aircraft on some low-yielding main trunk services, rather than the larger B737 aircraft, and Pacific Blue has adjusted its schedule.

Retention of existing services and growth of new routes remain priorities for CIAL. The company has developed a comprehensive strategic route development plan, working closely with targeted airlines in identified destinations to develop potential new routes. It is pleasing to see that the emphasis the company places on route development and airline relationships has been recognised by airlines internationally, with CIAL being awarded the Supreme Award for airport marketing at the Asia Pacific Routes Marketing Awards in March. CIAL is now a finalist for the global awards, held later in the year in Beijing.

Competition in the domestic market has offset the effects of the tightening economic environment, and while overall passenger movements finished the year marginally below budget, it was not at the low levels anticipated earlier in the year. Domestic passenger movements were up 0.3% on budget (and 1.3% against last year), and international movements down 5.7% on budget (and 3.1% against last year). CIAL has seen less of an effect on passenger movements than other comparable airports in the region and internationally, influenced by the increasing volume of Australians taking short break trans-Tasman holidays rather than longer breaks further afield, and the positive effect for consumer pricing following the introduction of Pacific Blue domestic services. This is expected to be further enhanced by the entry of Jetstar into the domestic market in June 2009.

Aeronautical

The company's aeronautical operations, including airfield operations, aircraft and freight facilities, passenger facilitation, terminal management, maintenance and development, provided revenues of \$39.4 million (2.3% below 2008).

Two of CIAL's major aeronautical projects, the airline pricing reset and the terminal development project, have been impacted this year by the rapidly changing macro economic environment and the change in airline strategies to meet the evolving competitive market:

Airline charging

The company's airline price reset, following a 19 month consultation process with the Board of Airline Representatives of New Zealand (BARNZ) and airline customers, was implemented on 1 April 2009. A substantial increase is required following an eight year static price level since January 2001 and to reflect increases in operating costs and the value of assets invested in aeronautical activities. However, the increase comes at a time when our airline customers are feeling the direct effects of the slowing tourism industry due to the economic recession.

As a consequence of this the company implemented a transitional price increase path through a prompt payment discount mechanism to phase in the cost impact on airlines. Notwithstanding this, airlines have been critical of the proposed increase, and discussions are continuing with our airline partners to reach an acceptable outcome.

Terminal development

The second project impacted by the operating environment has been CIAL's Integrated Terminal Project (ITP), which has been subject to design changes and review to ensure that it meets airlines' changing needs. Despite ongoing consultation over several years to ensure the design of the terminal met airline and passenger needs, airlines took the position that they believed effective capital consultation had not occurred, and as a consequence, Air New Zealand commenced proceedings for a judicial review of the consultation undertaken. The award of the tender for construction was delayed while management resolved the airlines' concerns, with such efforts being successful and thereby resulting in the judicial review being subsequently withdrawn in February 2009.

Hawkins Construction was awarded the tender for the main terminal project in April 2009, and work commenced with the closure of the terminal frontage road in May 2009. The contract mandate included an innovative development programme which will remove seven months from the project, which is now scheduled for completion early in 2012.

As part of our future operating needs, an agreement has been reached with Air New Zealand for an early surrender of the land leased under Hangars 2 and 4.

Part of this area will be used for the development of a new lounge for regional passenger services, and to provide improved aircraft parking in the future. This agreement was reached in June and management is working with Air New Zealand to ensure the lounge design meets the requirements of a regional carrier.

Commercial and terminal property development

The company is currently working towards a diversification in the business to offset fluctuating aeronautical revenues.

Opportunities to grow commercial returns were actively pursued during the year, including the further development of airport retail space, and the renegotiation of several key leases to improve overall yields.

Momentum has been gained with the launch of a \$9.5 million redevelopment of our international airside retail, targeted for completion in early 2010, to streamline the retail footprint while creating a walkthrough duty free environment and revamping and reviewing the mix of speciality stores.

In addition, commercial developments were furthered this year on our property strategy, with plans to open up several new areas in the airport surrounds. These property developments, on parts of the nearly 400 hectares of vacant land that is held for future aeronautical purposes, will bring economic benefits to the wider Canterbury region as we attract new businesses to the city, and develop an airport business environment that is attractive, accessible and efficient for our users and their customers. The development pipeline has been influenced by economic pressures on property development but several key initiatives have been identified that will act as a catalyst for future development options.

Long term planning

During the year, CIAL's board and management reviewed and revalidated the proposed changes to the noise contours in the City Plan. The company presented evidence during Environment Canterbury's Regional Policy Statement hearings in June, rejecting the claim that the airport is being overly restrictive through our 50dBA restriction. An outcome is expected in this case towards the end of the 2009 calendar year.

Our people

The year has been a challenging one with reviews across many operational departments to determine whether the current operating models are the most effective ways to run these parts of the business, and to identify whether aspects of these areas may be suitable for outsourcing to achieve improved cost efficiency.

At year end, these reviews have been largely completed, resulting in the closure of The Studio gift shop, and the retention of Travel & Information, Post, and Facilities Services departments within the company, to be operated in a more efficient manner. The company is now focusing on improving internal relationships and opening channels of communication to ensure staff enjoy a transparent view of their organisation.

At executive level, during the year the company received the resignation of the General Manager Human Resources, who wished to undertake new projects, and the General Manager Property, who accepted a position as Chief Executive at Hobart International Airport.

The general manager roles in the property, human resources and planning departments have now been filled, with the company ending the year with a fully resourced executive management team.

Summary

Growth and the diversification of the value of the company's revenue streams will be imperative over the coming years, with initiatives in retail and commercial areas being progressed alongside our longer term property development strategy. Positive opportunities have been identified and will be developed with a focus on implementing increased returns in the short term as a means of combating the constrained returns from traditional aeronautical services.

We expect the coming year to be one of consolidation of the operating initiatives commenced over the last 12 months, while the forward outlook for the aviation market is flat with passenger growth expected to be constrained. Further development of relationships with our airline customers will be an imperative to manage the effects of this environment.

Jim Boult Chief Executive





Hanlin Johnstone

Appointed: 2005

Hanlin Johnstone has had considerable experience in civil infrastructure development and is currently Chairman of the Board of Dunedin Casinos Limited.

He is also a director on a number of boards including Fulton Hogan Limited, Christchurch City Facilities Limited, VBase Limited, Jet Engine Facility Limited, and AMI Stadium Limited.

Ann Harper

Appointed: 2007

Ann Harper joined the Board of Directors in October 2007. An accountant by profession, Ann has spent nearly 15 years in the air freight forwarding industry in Auckland, and during that time was a director of Auckland International Airport Limited and Airways Corporation of New Zealand Limited.

In 1998 she moved to the South Island and took up a position as CEO of a dairy company, and is currently the Executive Director of the New Zealand Seed Industry association based in Christchurch.

David Mackenzie

Chairman Appointed: 2008

David has substantial business and governance experience, gained as a former corporate advisory lawyer, and as a company director. In his advisory role David worked with some of New Zealand's largest companies on various business and structural issues. He also had extensive involvement as an advisor to companies in the aviation industry, and has in-depth knowledge of the issues affecting aviation industry participants. As a professionally qualified pilot, David also has an extensive understanding of airways and airport requirements. David left legal practice in 2004, after completing a term as chair of one of the large national law firms, and is now a consultant and professional director. He is a director of meat processor and exporter Alliance Group Ltd and a number of private companies, he is also a former director of NZX-listed Lyttelton Port Company Ltd. David holds a Master of Laws from Victoria University of Wellington, and is deputy chair of the Lawyers and Conveyancers Disciplinary Tribunal.



Susan Sheldon

Deputy Chairman Appointed: 2001

Awarded a Companion of the New Zealand Order of Merit in 2007 for Services to Business, Sue Sheldon is a professional company director and chartered accountant. Sue's broad range of commercial appointments includes Electronic Transaction Services Limited, FibreTech New Zealand Limited, Freightways Limited and Smiths City Group Limited. She is currently Chairman of the Board of Trustees of the National Provident Fund and the Wool Industry Network Limited, and is a former President of the New Zealand Institute of Chartered Accountants.

Sue Sheldon will be retiring at this year's annual meeting following the completion of three terms as director.

Philip Carter

Appointed: 2005

A civil engineer by profession, Philip Carter has had significant experience as Chairman for Carter Group Limited, Philip Carter Management Limited and Crystal Plaza Limited. He is a director of Avonhead Mall Limited and was previously a director of Christchurch City Holdings Limited.

Philip has been heavily involved in local government and is a supporter of a number of community assistance programmes.

Jim Boult

Appointed: 2003

Jim Boult has extensive business interests in many fields including tourism, financial services, property, automotive, publishing and hospitality. Jim has been a director, chairman and managing director of several substantial public and private trading entities. He has also served as a director and Deputy Chairman of Tourism New Zealand.

He retired as director on 30 June 2009 following his appointment as Chief Executive from 1 July 2009.

STRATEGIC DIRECTION

Purpose: Target success through customer service, efficiency and diversification across

our key portfolios of aeronautical, commercial and property.

Vision: To be recognised as New Zealand's leading tourism gateway.

CIAL seeks to achieve success as a business, through three perspectives:

• As an airport

Becoming an industry leader in the delivery of airport services as the leading tourism gateway in New Zealand, operating a safe, secure, and reliable operationally efficient airport environment

As a commercial undertaking

Maximising shareholder value through the delivery of sustainable growth in commercial revenue and earnings and utilising our land resources for the diversification and growth of new revenue opportunities

• As a successful corporate entity

Providing superior value to our customers and the community through a workplace where our people are fully engaged, high performing and aligned to our strategic direction

Objectives:

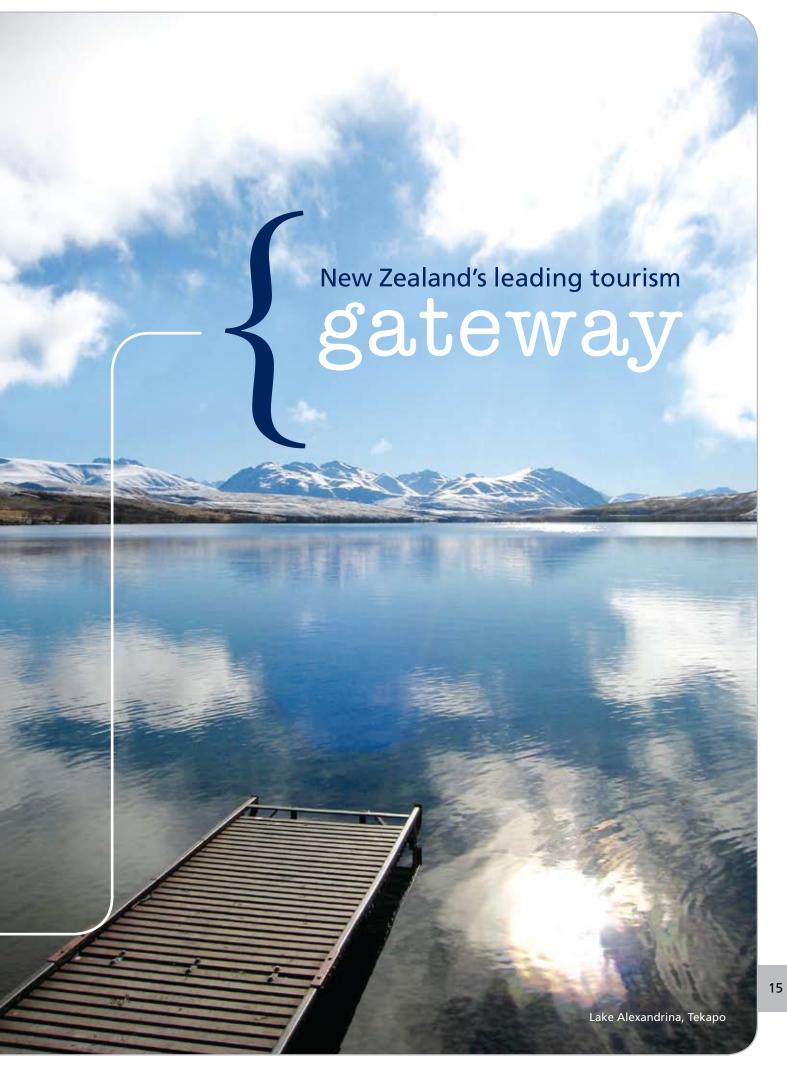
CIAL's key objective is to operate as a successful business and through this deliver sustainable growth in long-term value to our shareholders. Six objectives drive the company's strategy:

- Deliver sustainable growth in revenue and earnings
- Grow South Island tourism and position CIAL as a shaper of future tourism growth
- Deliver superior customer service
- Provide "fit for purpose" infrastructure with the flexibility to meet future growth
- Provide an environment where staff are high performing and fully engaged
- Operate in a sustainable manner and be recognised as a positive contributor to the community

Strategic Platforms:

The company objectives are delivered through seven strategic platforms which focus the way in which CIAL operates.

- Infrastructure development
- Commercial diversification
- Tourism gateway
- Aeronautical development
- Best practice operational capability
- Corporate social responsibility
- Financial capacity



supporting a



Market growth and performance

The airline industry is changing rapidly as airlines optimise their business models to meet the demands of the market. Adaptations range from the increasing efficiency of human resources to the grounding of aircraft resulting in further rationalisation of routes. The latter strategy focuses on maintaining and growing high yield routes as well as optimising operating costs such as fuel.

Locally, airline business consolidation has resulted in the rationalisation of the Qantas parent group operation in the New Zealand domestic market, with the withdrawal of Qantas and the introduction of the group's low cost Jetstar domestic services from June 2009.

Airlines are also ensuring that the most appropriate aircraft types are allocated to routes to combat challenges faced during the recession. Lower yield routes such as Christchurch are being impacted by the deployment of airlines' most efficient aircraft on higher yield international routes.

Innovative investments by airlines are reducing costs and streamlining the passenger process. Air New Zealand introduced its domestic self check-in utilising advanced kiosk technology and web technologies. This initiative moves away from traditional check-in processes and has been extremely successful in terms of operational efficiency and enhanced passenger experience.

Retention of existing services and growth of new routes remain priorities for CIAL, and the company was pleased to welcome Jetstar domestic services to Christchurch in June, in a move showing confidence in the economy and in the continuing propensity of New Zealanders to travel at the right price. CIAL has a thorough strategic route development plan and works closely with targeted airlines in identified destinations to develop potential routes. It is pleasing to see that the emphasis the company places on route development and airline relationships has been recognised by airlines internationally, with CIAL being awarded the supreme award for airport marketing at the Asia Pacific Routes Marketing Awards in March. CIAL is now a finalist for the global awards, held later in the year in Beijing.

Aeronautical operations

The company's aeronautical operations include airfield operations, aircraft and freight facilities, passenger facilitation, terminal management, maintenance and development.

Two substantial aeronautical projects have been progressed this year:

Airline charging

A substantial increase in charges to airlines is required to update historical pricing from a level established in 2000 to reflect increases in value of assets invested in aeronautical activities and increased operating costs. The company's airline price reset was determined following a 19 month consultation process, and was implemented from 1 April 2009. The increase, however, comes at a time when our airline customers are feeling the direct effects of the slowing tourism industry due to the economic recession. As a consequence, a transitional price increase implementation path through a prompt payment discount mechanism is in place for the period through to June 2010.

Despite this, airlines have been critical of the proposed increase and discussions are continuing with airline customers to reach an agreement acceptable to all parties.

Terminal development

Christchurch Airport's Integrated Terminal Project (ITP) commenced in April, when Hawkins Construction was awarded the tender for the main terminal project, and continued with the closure of the terminal frontage road in May 2009. The project, which has been subject to several delays during the consultation period, is scheduled for completion early in 2012.

Operating requirements

A need to gain access to the land presently occupied by Air New Zealand under a long term lease for Hangars 2 and 4 was identified. This area is required for future operating requirements, including the development of a regional lounge for turbo prop services, and to provide improved aircraft parking in the future. An agreement for the early surrender of this lease was reached in June and management is working with the Air New Zealand design team to further the design and functionality requirements for this regional lounge, to ensure it will seamlessly integrate within the overall ITP.

Car parking

May 2009 saw the closure of the terminal access road and utilisation of the drop off zone underneath the car park building commencing. A detailed communications plan advised drivers of the changes, reinforced by the provision of a team of ITP ambassadors to assist with wayfinding on site. Feedback on the new roading layout has been overwhelmingly positive.

Additionally, drivers now have a choice in parking, with cheaper rates for parking outdoors and further away and premium rates for the convenience of the parking building.

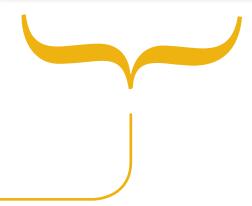
Industry issues

One effect of the attempted hijacking of an Air National J32 aircraft, operated for Air New Zealand, in February 2008 was a comprehensive governmental review into security measures for aircraft with fewer than 90 seats. CIAL worked closely with the Ministry of Transport and the rest of the industry to ensure that the implications of any change were fully understood. The outcome of the review was pleasing with government recognising that the cost of increased security measures, which would run into millions of dollars for airports and which would render smaller airports unviable, was not appropriate to mitigate the low level of risk that exists.

During the year CIAL was a major contributor to the reconstitution of the New Zealand Airports Association, and the appointment of a full time chief executive for the organisation. The organisation is now suitably positioned to represent the interests of airports at senior levels of government.



and Chief Executive Jim Boult celebrate the official launch of Christchurch Airport's terminal development.



Air New Zealand, Pacific Blue, Air Pacific, Qantas, Emirates, Singapore Airlines, Jetstar International Services: Brisbane, Coolangatta, Melbourne, Nadi, Osaka, Rarotonga, Singapore, Sydney, Tokyo Domestic Services: Air New Zealand, Pacific Blue and Jetstar operate services covering all of New Zealand



Achievements

Marketing & business development

- Growth in passenger volumes
- Winner of the Supreme Airport Marketing Award for Asia Pacific
- Introduction of Jetstar domestic services between Christchurch, Auckland, Wellington and Queenstown
- Joint venture campaigns undertaken with airlines and wholesalers in New Zealand, Australia, China, India, Singapore, and Japan to grow tourism and develop routes
- Regular market visits to existing and emerging markets to develop relationships and maximise airline growth opportunities
- Sponsorship of the Ellerslie International Flower Show and the World Buskers Festival in Christchurch to support the South Island community and further tourism development
- Website and online initiatives further developed, resulting in an 18% increase in unique visitors and a 35% increase in page impressions per month

Operations and infrastructure

- Advised Government on the significant implications of the enhanced domestic security proposal, resulting in no change to the status guo
- Major contributor to the reconstitution of the New Zealand Airports Association and appointment of a chief executive to lead the organisation
- Final ITP design approved and tender awarded

- Agreement with regard to the early surrender of the lease for hangars 2 and 4 reached
- Car parking layouts finalised with clear and colour coded directional signage installed to delineate zones
- Investment in bird control programmes to reduce bird strike risk, including staff attendance at a US World Conference on bird hazards, and negotiations with DOC to reclassify Canada Geese due to their risk profile
- Assistance to health authorities and careful monitoring of the risk of H1N1 influenza
- Runway end safety areas (RESA) completed for main runway, and golf club land purchased to enable RESA development on the crosswind runway
- Arrival of second Rosenbauer CA-5 Panther fire appliance to enhance safety at the airport
- Airfield Pavement Maintenance Works (APMW)
 programme was executed whilst maintaining the
 highest levels of airport safety, security, and reliability,
 through efficient partnerships with BECA and
 Fulton Hogan
- Completion of a significant upgrade of the Building Management System (BMS) to enable integration to the new Integrated Terminal
- A continued focus on energy use and analysis has identified significant savings in electricity and heating costs that can be achieved with minimal investment
- Reviews held across the department to fine-tune the business and improve viability, highlighting significant growth opportunities



Jetstar expansion develops South Island economy

Christchurch Airport welcomed Jetstar's domestic services to the South Island in June this year, with South Islanders benefiting from the increased choice and affordability that Jetstar's domestic services now bring.

"This new service increases capacity on the domestic routes out of Christchurch by more than 10%, which can only have a positive impact on our economy," said Chief Executive Jim Boult. "Decisive moves such as this in a time of economic difficulties send a positive message to the tourism industry, and this will stimulate travel both for business and leisure."

These new domestic flights will offer connections through to Jetstar's 28 weekly flights to Sydney, Melbourne, Brisbane and the Gold Coast, offering ease of transfer for South Islanders, all under one roof at Christchurch Airport.

June also saw the last flight for Qantas domestic services.

"It's the end of an era here, with the departure of the Qantas domestic services," said Mr Boult. "Qantas has provided an excellent service to our domestic market for eight years, and while we look forward to a continued strong relationship through the airline's international services, we'll see fewer of the distinctive kangaroo tails on our runways in the future.

"Jetstar's clear commitment to Christchurch is extremely positive for the region. We're pleased that our robust relationship with this airline over the past 12 months has assisted its entry into the domestic market, and we're looking forward to working with it on further development opportunities in the future."

Jetstar Chief Executive Bruce Buchanan said Jetstar was excited to be launching domestic services into Christchurch.

"Now New Zealand has greater choice with Jetstar's domestic market arrival with our proven low cost business model supporting constant innovation and low fare flying for consumers," Mr Buchanan said.

"Jetstar will take a price leadership position in the domestic New Zealand market backed by our Price Beat Guarantee and offer an attractive value for money travel proposition."

Jetstar operates services daily from Christchurch to Auckland, Wellington and Queenstown.



New parking zones simplify parking at Christchurch Airport

As Christchurch's new airport terminal will be built in the space between the car park building and the existing terminal, the terminal access road has been closed, necessitating several changes in the parking layouts.

New colour coded parking zones have been introduced to simplify the parking process for airport users, with new signage installed to clearly identify the new Short Term, Long Term and Premium parking zones and to guide drivers towards their chosen zone.

"We listened to the feedback from our customers and we believe the new signage we've installed will assist drivers in their decision-making as they approach the airport," says Chief Executive Jim Boult.

The introduction of these new zones has greatly enhanced the customer experience at Christchurch Airport, with large new signage placed at key decision making points on Memorial Avenue and Orchard Road. This signage continues towards the airport with drivers following colour coded signs as they get closer to the car parks.

The parking layouts have been developed within the existing constraints of the airfield,

terminal and the engineering base, and a great deal of planning has gone into making the most of these natural constraints. Currently, the new pick up and drop off areas are working effectively, with a substantial amount of positive feedback received, and this will improve as the terminal construction progresses. Once the first stage of the terminal is open in early 2011, airport users will benefit from the shorter walking distance, across a landscaped pedestrian plaza, to the check in hall.

Enhancements will continue to be made to the parking zones, including asphalting of car park surfaces, and the extension of the covered walkways.



developing a

The property team has continued to focus on growth opportunities within the terminal buildings, resulting in the renegotiation of some concession returns and upgrading of a number of retail tenancies. Opportunities to grow company returns from the further development of airport terminal retail space have been maximised throughout the year, and several key leases renegotiated to improve overall yields.

CIAL's APN contract has seen the installation of six large format billboard sites throughout the external environment, with strong forward bookings.

Increased demand for café offerings saw Underground Coffee open in the former Studio site. The domestic mezzanine bar facility was also upgraded.

CIAL has launched a \$9.5 million redevelopment of its international airside retailing area, expected to be completed in mid 2010, which will streamline the retail footprint while creating a walkthrough duty free environment and revamping and reviewing the mix of the speciality stores.

Achievements

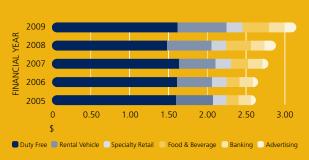
- Refreshment of retail offer through refits and rebranding
- Relocation of valet parking into the rental car area with revenue uplift
- Extension of the duty free, foreign exchange and catering contracts to align with the ITP delivery programme
- Retendering of the three major retail concessions underway
- New Underground Coffee premises opened in former Studio premises
- Completion of the APN outdoor billboard installation programme – with six new large format billboards installed
- Concept design completed for the International airside retail expansion, which will see the redevelopment of duty free and retail outlets



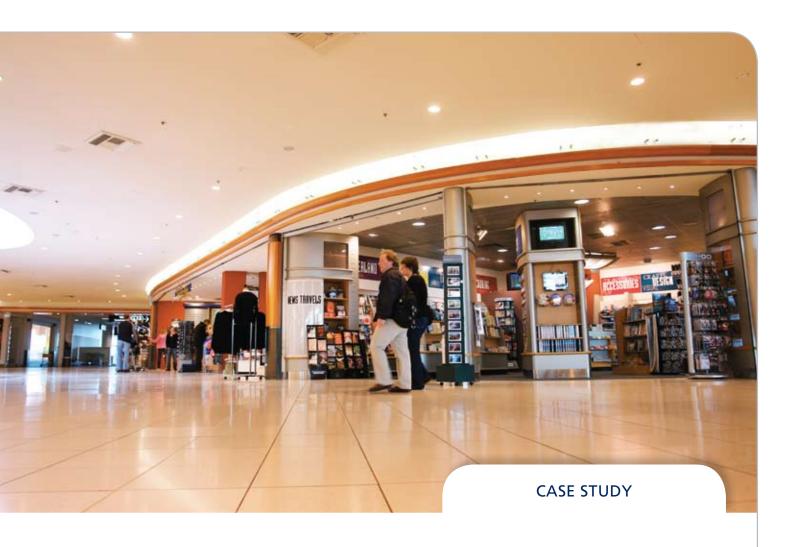
Concession Revenue by Category



Concession Revenue per Passenger







Airside retail expansion underway

CIAL is launching a NZ\$9.5 million redevelopment of its international airside retailing area, expected to be completed in mid 2010.

"After a six-month review of the areas in 2008, the airport is proceeding with the redevelopment of all international airside retail spaces" said CIAL's Manager Commercial Development, Julie-Ann Beattie. Local architects Sheppard and Rout have been appointed to the project."

In the international airside departures area, CIAL will expand the duty free area to more than 1,100m² from the current 900m², update the specialty retail offer and foreign exchange outlets, and further develop the existing food and beverage offer. "The retail footprint will be streamlined, while creating a walkthrough duty free environment and revamping and reviewing the mix of the speciality stores," Ms Beattie commented.

The project will provide an expansion path for future growth in airside retailing, and provision for an expansion in food and beverage outlets as passenger numbers increase. The offer will be expanded from two to four outlets.

On the arrivals side, CIAL will expand the duty free store area from the current 220m² to 520m², which Ms Beattie says reflects the desire of international passengers to purchase at their destination port.

"We are seeking a greatly expanded range, particularly in cosmetics and perfumes. The project will also expand the immigration queuing area, helped by an expansion of the base building.

"We also want to build into the arrivals experience a theming and welcome statement for Christchurch and the broader Canterbury province."

COMMERCIAL PROPERTY DEVELOPMENT

CIAL's property strategy provides for a number of new developments on the airport campus, as part of our vision to become New Zealand's leading tourism gateway. These developments, on parts of the nearly 400 hectares of vacant land held for future aeronautical purposes will be linked to airport activities, and will attract new businesses and investment to the local economy. With the successful completion of the new Hellmans and Fedex buildings in the existing freight and logistics precinct, this area is now full, and a new freight and logistics precinct will be developed on the parcel of land to the north-west of Russley Road in the area generally bounded by Grays Road and Avonhead Road.

An integral part of the development of CIAL's property strategy has included the development of an urban design concept for the airport campus which provides a robust framework to guide future property development at the airport. The urban design concept provides guidance on the arrangement and typology of future buildings, roading, car parking, pedestrian networks, open spaces landscaping and connectivity of the proposed development precincts.

CIAL's property development will bring economic benefits to the wider Canterbury region, as we attract new businesses to the city, and develop an airport business environment that is attractive, accessible and efficient for our users and their customers.

Some of the possible uses include additional services, vehicle storage and servicing, commercial car parking, aviation maintenance centres, office developments, convenience centres and warehousing, and the company's objective is to attract significant businesses to the airport campus from outside Canterbury.

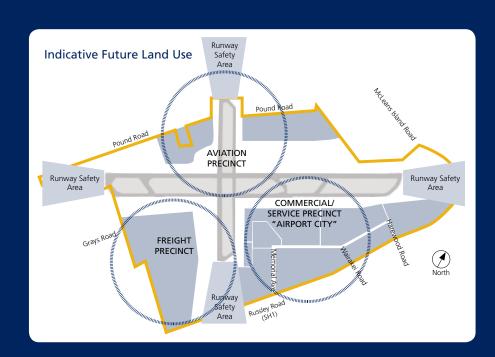


CIAL is currently developing concepts for a new office building that will provide a unique opportunity for businesses whose activities are airport-related.

Achievements

- Strategic property vision and update to Airport Master Plan completed
- Urban design concept completed
- Successful completion of the Hellmans and Fedex freight facilities
- Opening of a new vehicle refuelling facility to improve the offering to tenants









Airport maximises development potential

With the completion of the Hellmans building on Richard Pearce Road and the FedEx facility at the corner of Perimeter and Ron Guthrey Roads, CIAL's existing freight and logistics precinct is now full. The company is currently working through plans to open up a new freight and logistics zone on airport land to the south west of the runways, generally bounded by Avonhead, Grays and Russley Roads.

CIAL is also developing an airport village precinct (to be named 'Spitfire Square') proposal for the Russley Road/ Memorial Ave corner site, designed for businesses providing services to the 25,000 – 30,000 people using the airport daily, including the community of 5000 airport workers. 'Spitfire Square' will be a mixed use development and is likely to comprise a convenience store, service station, fast food outlets, eateries / bars, convenience retail, commercial services and office accommodation.

The growth in business activity at Christchurch International Airport for both the airport company and our key customers has also led to increased enquiries for office space in the airport precinct. As a result of this demand, CIAL is currently developing concepts for a new office building that will provide a unique opportunity for businesses whose activities are airport-related.

The building will be designed to a high standard of energy efficiency and environmental care. Airport management is working closely with its appointed real estate partner, Bayleys Real Estate, to market this opportunity actively to airport related businesses.

The convenience of an on-airport location represents real economic benefits for organisations related to the airport environment, such as airlines, freight and logistics, rental vehicle, and travel companies, and the facilities proposed to be provided in the airports' development strategy will ensure that Christchurch Airport is an outstanding environment for both companies and employees.

CIAL's master planning process, updated regularly, ensures that the airport developments will provide the best possible solution to meet the requirements of the market. CIAL is now engaged in an active marketing process to highlight the advantages of an airport tenancy to related businesses, with a broad reach to ensure that top quality national and international businesses are attracted to Canterbury. The final shape of the developments will depend on which companies express an interest in locating at the airport and which are suitable for the area and meet zoning requirements.

SECTION TWO:





supporting our region through

Case studies from all over the world demonstrate that airports which have not benefited from good forward planning to provide the right sort of airport zone protection are now either subject to curfew or have been forced to move to locations far from the city. Neither of these is an option if the South Island is to retain the economic benefits of having a major international airport at Christchurch.

Consequently, during the year, CIAL's board and management reviewed and revalidated the airport's proposed changes to the airport noise contours in various local government planning documents. The company presented expert evidence in the Regional Policy Statement hearings in June, which supports the position that the airport is justified in seeking to maintain the Ldn 50dBA control boundary.

Submissions have also been made in the Regional Policy Statement process to have the airport included in the metropolitan urban limits and recognised as a Key Transport and Employment Node, to provide for long term growth of the airport precinct.

In addition, CIAL is working closely with the New Zealand Transport Agency and the Christchurch City Council to ensure safety and efficiency in their plans for roading infrastructure connecting the airport to its surrounding community.





Airport noise contours - a far-sighted vision

This year, CIAL presented its case that the airport's noise contours be included in Environment Canterbury's Regional Policy Statement, based on the determination of areas a panel of international experts believes will be susceptible to unacceptable levels of aircraft noise in the future.

Thinking 30 to 50 years out is difficult. Protecting the future operation of Christchurch International Airport and the amenity of people who live near the airport requires us to do just that.

Canterbury and the South Island benefits from sound forward planning, which has so far protected the airport from noise sensitive land uses moving ever closer toward the airport and has consequently discouraged people from living in areas where they will experience adverse noise effects.

The location of Christchurch International Airport, only 15 minutes' drive from the centre of the city, is often cited as a true benefit to the region. The application of the Ldn 50dBA noise contours simply discourages intensive development in this zone for noise sensitive purposes.

The proposed Ldn 50dBA contour is slightly wider and shorter than the existing contour, causing the overall footprint of the airport noise contours to be approximately

12km² smaller than the previous contour. By way of example, land to the north of Kaiapoi is no longer affected, while some undeveloped land to the west and east is newly affected.

CIAL has worked with an independent panel of industry experts and affected landowners to determine an appropriate set of noise contours which ensure that people do not move into areas where they will be highly annoyed by airport noise in the future, based on the predicted doubling in aircraft movements which would take the existing airfield to its capacity.

It is CIAL's desire that the Christchurch City, Selwyn and Waimakariri district councils continue to promulgate the Ldn 50dBA noise contour as the outer control boundary for noise sensitive development if the South Island is to retain the economic benefits of having a major international airport at Christchurch and for people living near the airport to enjoy high amenity values – something the airport company believes is firmly supported by most residents of the region.

As New Zealand's tourism gateway, it is important that CIAL strives to achieve a position as a leader in environmental sustainability. With recertification of our carbon neutral status and the introduction of many energy efficient measures into the terminal development, CIAL is determined to further its environmental leadership.

CIAL's environmental strategy has been developed to assist the company in identifying the environmental issues and future management options arising as part of our commitment to becoming a sustainable airport. CIAL's sustainable development commitment means that our practices will be managed to minimise impacts on land, water or air resources and do not undermine our role as an environmentally responsible community member.

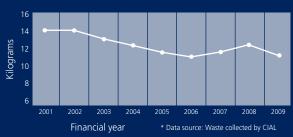
Environment measures

Recycling table

Material	2009	2008	2007
Scrap Metal	19.31 tonnes	18 tonnes	10.47 tonnes
Waste Oil	1,500 litres	2,200 litres	1,800 litres
Glass Bottles, plastic and cans	309 m³	174 m³	176 m³
Cardboard	823 m³	648 m³	529 m³
Paper	422.14 m³	256.8 m³	104 m³
Polystyrene	17.4 m³	18 m³	16 m³

Vegetation: All grass clipping and other vegetation generated by CIAL Facilities activities are composted.

Kilograms of waste per 100 passengers*



Water

Annual withdrawal of ground water

	2009	2008	2007
Potable water	1,154,507 m³	738,395 m³	666,637 m³

Use of water terminal cooling system

	2009	2008	2007
Artesian water for abstraction and recharge	1,200,567 m³	1,651,667 m³	2,205,982 m³

Water is circulated through heat exchangers and discharged back to ground with no change in water quality.

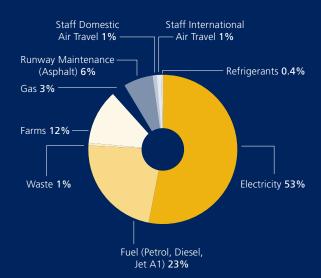
Carbon emission inventory

In February 2009, CIAL received CarboNZero recertification from Landcare New Zealand for an 18 month period. The recertification process involved the measurement, management, reduction and offsetting of the greenhouse gas (GHG) emissions directly generated by the airport company's operations.

The diagram below shows the organisation structure used for describing CIAL's emissions inventory.



The graph below shows the operational emissions for CIAL by source. CIAL's total emissions for the 18 month period were 8,059 tonnes of carbon dioxide equivalents (CO_2e), comprising 7,976 operational emissions and 83 tonnes of non-operational emissions.







Building Management System drives both energy efficiency and cost savings

CIAL has two Building Management Systems (BMS) which control heating, ventilation, lighting, potable water pumps, emergency generators and air conditioners in the terminal building, as well as the facilities yard and the International Antarctic Campus. With an annual energy consumption of approximately 23.5 GWh at a cost of \$2.5 million, it is essential that the company monitors its energy usage and focuses on reducing it where possible. CIAL's Energy Policy sets a number of energy and sustainability targets for current and future CIAL operations.

To assist with achieving these targets, in 2009, CIAL commissioned Enercon to undertake a detailed review of the BMS, including monitoring of plant performance under different climatic conditions. Importantly, the monitoring was undertaken during the autumn months when the temperature can be extremely variable, requiring heating one day and cooling the next.

The detailed review identified a number of energy management opportunities which, when implemented, are expected to produce energy savings of 16%.

For example, the review of economisers and CO_2 sensors in the air conditioning systems has resulted in significant energy savings. Economisers save energy in buildings by using cool outside air as a means of cooling the indoor air space while the CO_2 sensors ensure there is sufficient fresh air in the area. It was found that there were a number of areas in which the economisers were not operating efficiently. The audit estimates that by ensuring that all economisers and CO_2 sensor operation on units are optimised, energy savings of up to 12% could be achieved.

This year has seen the implementation of many BMS efficiency opportunities, and monitoring of the energy use post-implementation will be carried out through the coming year as part of CIAL's monthly Monitoring and Targeting Programme.



Loving New Zealand - recycling initiative at Christchurch Airport



Twenty-six "Love NZ" recycling bins have been installed in the International Terminal and car parking areas of the airport in the Christchurch pilot of the Government's Recycling in Public Places Initiative. Subsequently, 53 bins have been installed by the Christchurch City Council in high traffic areas throughout the central city.

CIAL is very supportive of the scheme and is enthusiastic about the opportunity it offers. "We are very aware of the recycling expectations of travellers as they pass through our gateway, particularly given New Zealand's highly successful 100% Pure tourism marketing campaign and the carbon neutral status of our organisation," says General Manager Planning and Environment Rhys Boswell.

"We are pleased to be able to now provide recycling facilities at the airport in accordance with our sustainability policy to ensure that we are meeting these expectations and protecting our environment, and we applaud the introduction of this initiative."

The contents of the bins were audited once a month during the year. The audit results found that on average 206 kilograms of waste was collected for recycling per week from these bins, 94% of which was recyclable.



Ensuring environmental and storm water best practice

A wide range of operators are involved in providing a variety of activities and services as part of the day-to-day operations of the airport. Many of these activities have the potential to impact stormwater run off, and due to its location relative to the city aquifer, CIAL takes its responsibilities towards stormwater and groundwater protection very seriously.

In order to ensure that airport operators understand how to protect the city's groundwater supply while undertaking their duties, CIAL has developed an environment awareness training DVD, which emphasises stormwater management and groundwater protection and covers topics such as:

- why protection of stormwater and groundwater is important
- how stormwater is managed at the airport
- environmental best management practices
- spill management

The DVD was filmed around the airport campus at a variety of locations, with the co-operation of a large number of airport staff, and will be provided to all operators and tenants whose activities have the potential to impact stormwater. It will also be used in conjunction with the environmental awareness training that is delivered to tenants and operators by CIAL's Environment Officer as part the company's Environmental Compliance and Monitoring Programme.



establishing a sustainable

Many of our business partners on the airport also undertake environmental measures to enable their business to operate more efficiently, which supports CIAL's carbon neutral position and vision of becoming a sustainable airport campus. Following is a summary of some of the sustainability initiatives being undertaken by airport operators and tenants.

Agility Logistics

Agility Logistics is the first international freight and logistics provider to achieve carboNZero™ certification in New Zealand. The certification process has seen the company measuring, managing, reducing and mitigating greenhouse gas emissions arising from its business activities. CIAL congratulate Agility on becoming the airport's first independent tenant to have achieved carboNZero status.

NZ Post Distribution Centre

For the last year, the NZ Post Distribution Centre has been taking part in Christchurch City Council's Target Sustainability Programme. This programme has seen them carrying out audits of its waste, energy and water use and putting initiatives in place to reduce the amount of waste sent to landfill.

Tourism Holdings Limited

Tourism Holdings Limited (THL), who rent Maui motorhomes, has installed recycling facilities for customers to use at their airport branch on Memorial Ave, as part of the Government's Love NZ recycling programme. THL became the first New Zealand motorhome rental provider to voluntarily have its entire fleet independently tested for vehicle emissions. Its total fleet meets Vehicle Testing New Zealand's (VTNZ) "Five Star" in-service rating. The company has also joined the Christchurch City Council Target Sustainability Programme for assistance with reducing its waste, energy and water use.

Pratt and Whitney

Christchurch Engine Centre (CEC) (a joint venture between Air New Zealand and Pratt & Whitney) is an ISO 14001 accredited company for all of its operations at Christchurch Airport. ISO 14001 is an Environment Management System Standard which helps organisations minimise their impact on the environment. CEC has an ongoing commitment to reduce all waste streams, utilities and water usage by 10% annually, and also ensures that all hazardous waste is tracked from generation, through the transport process to treatment and disposal.

Antarctica New Zealand

Antarctica New Zealand is a crown entity responsible for developing, managing and executing New Zealand's activities in Antarctica. One of its core values is caring for the environment; sustainability is at the core of its work and it is committed to minimising its environmental impact.

Its environmental management systems are audited annually, and the organisation is currently receiving recertification at the gold level of the Enviro-Mark NZ certification programme. Antarctica New Zealand routinely collects data and reports on its environmental performance and it is also in the process of calculating its carbon budget. Every year it participates in local cleanup projects and challenges its staff to cycle during Bikewise month.

Hellman Worldwide Logistics

Hellman Worldwide Logistics has opened an environmentally friendly, energy-efficient temperature-controlled freight hub at Christchurch Airport, reinforcing the company's environmental commitments to the perishable and ambient logistics industry. The cooling solution Hellman uses as its refrigerant has just 1/380th of the global warming potential of traditional refrigerants. The new freight hub also has an optimised heat transfer system, requiring less energy to cool the refrigerant. It uses a water cooling system, which uses less energy than air cooling systems. Overall, the Hellman plant uses between 15 to 20% less power than traditional facilities.



Issue and Objective

Context

Achievements

NOISE

To minimise the effects of noise and vibration associated with aircraft and airport operations and to comply with relevant noise rules.

Noise occurs as a result of aircraft operations, ground support activities, airfield maintenance and site development activities.

Mitigating the impact of noise relies on the development of noise management plans, and working closely with the community.

Christchurch International Airport is uncurfewed and we need to retain our 24 hour operating ability to support and grow the economy of both the region and New Zealand.

Development of a Noise Management Plan incorporating:

- Contractual agreements with respect to airspace and flight path management, and on-ground activities
- Preparation of an annual report showing compliance with noise rules in City Plan
- Community consultation processes through the development of a community engagement plan
- Compatible land use planning in conjunction with local government

ENERGY CONSERVATION AND RESOURCE USE

To minimise energy consumption through the pursuit of efficient energy practices, to integrate principles of energy efficiency and resource use into day-to-day business, and to ensure sustainability principles are incorporated in the concept, design and building of any new construction projects where feasible.

CIAL uses electricity, LPG and diesel for energy supply, and operates a large vehicle fleet.

- Implementation of the objectives of the Energy Policy and of the Energy Monitoring and Targeting system to improve energy efficiency
- Detailed audit of the Building Management System which controls the heating, cooling and ventilation of the terminals

WASTE

To investigate and implement cost-effective ways to progressively reduce the amount of solid waste arising from airport activities.

CIAL operates a waste collection service from the terminal and for some airport operators on the airport campus.

- Installation of 26 recycling bins in the International Terminal and car parking areas
- Investigation into diverting more waste from landfill through the use of a new Materials Recovery Facility that has been developed in Christchurch

Issue and Objective	Context	Achievements
WATER To minimise the impact of airport activities on groundwater quality through cost-effective measures to avoid or mitigate the risks of contamination.	The protection of groundwater is of major significance as a resource to be sustainably used and protected. The airport water supply requirements are provided through groundwater, including the public drinking water supply. Groundwater is also used as an energy source for air conditioning of the terminal. All stormwater at the airport ultimately discharges to ground. These discharges are regulated under the RMA by Environment Canterbury through the issuing of resource consents.	 Implementation of the Environmental Compliance and Monitoring Programme (ECMP) Labelling of stormwater inlets on operator sites and public car parks as "rainwater only" Monitoring of ground water quality and quantity Development of an environmental training DVD which focuses on stormwater management and groundwater protection Installation of pumping stations and an underground sewer pipeline from the Harewood Aviation Park to the city sewer
HAZARDOUS SUBSTANCES To manage hazardous substances and contaminated land issues consistent with relevant legislation and policy.	CIAL's hazardous substance use mainly arises from agricultural products, waste oils, waste paint products and waste sludge collected from interceptor devices. There are a number of landfills known to have operated within the boundaries of the airport and on CIAL owned lands.	 Implementation of internal procedures and initiatives ensuring good hazardous substance management Investigation of closed landfills to assess contamination and to consider options for future development
GROUND TRANSPORT To minimise the impacts arising from the ground transport needed to service the airport and its operations.	CIAL works closely with Transit, CCC, ECan and infrastructure providers in seeking to improve the transport networks servicing the airport. CIAL also works with airport operators to address on-site issues.	 Identification in the Urban Design Process that provision be made for pedestrian and cycling facilities connecting the passenger terminal precinct to commercial and service developments Provision of shuttle services and charter coach services Participation in area-wide

Airport activities can impact on

local air quality through many

the operation of the airport.

functions which are essential to

AIR QUALITY & GREENHOUSE

GAS EMISSIONS

To maintain carbon neutral

air quality resource consents.

status and comply with relevant

transport studies involving

CCC and NZTA

Compliance with air

discharge consents

Recertification under the

carboNZero programme

for an 18 month period

encouraging STOTTH in our community

Christchurch International Airport plays a crucial role in the economic development of this city, and belongs, through its government and council ownership, to the people of Canterbury and New Zealand. It is vital, then, that as well as remaining economically viable, that the airport company is socially and environmentally sustainable in order to continue its partnership with the community in which we operate.

CIAL believes that companies must take responsibility for their social and environmental impacts, which is why we have detailed programmes in place to address our community responsibilities and our environmental sustainability.

Stakeholder feedback shows that information is desired around all aspects of sustainability, and we are developing active community communications plans to meet this need.

Community engagement

CIAL's community engagement strategy allows the company to engage more effectively with our neighbours and the wider public community, opening up communications channels and ensuring the airport is transparent in its relationships with the public.

Twice-yearly community forums are now held, focusing each time on a specific topic and with time for general questions at the end. Over the past year, sessions have been held on the proposed runway safety area extensions, airport noise contours, and the terminal development.

CIAL representatives also regularly meet with community groups, including Rotary and Probus organisations and community boards, to discuss airport issues affecting the community.

Further avenues for public communication will be investigated over the coming year, with the intention of making an increasing volume of information regarding each of CIAL's projects publicly available.

Sponsorships

Two key sponsorships form CIAL's sponsorship portfolio:

- World Buskers Festival, Christchurch, January 2009
- Ellerslie International Flower Show, Christchurch, March 2009

These sponsorships allow CIAL to generate goodwill in the local community, to engage with stakeholders, and to promote travel to the South Island from our key markets overseas.

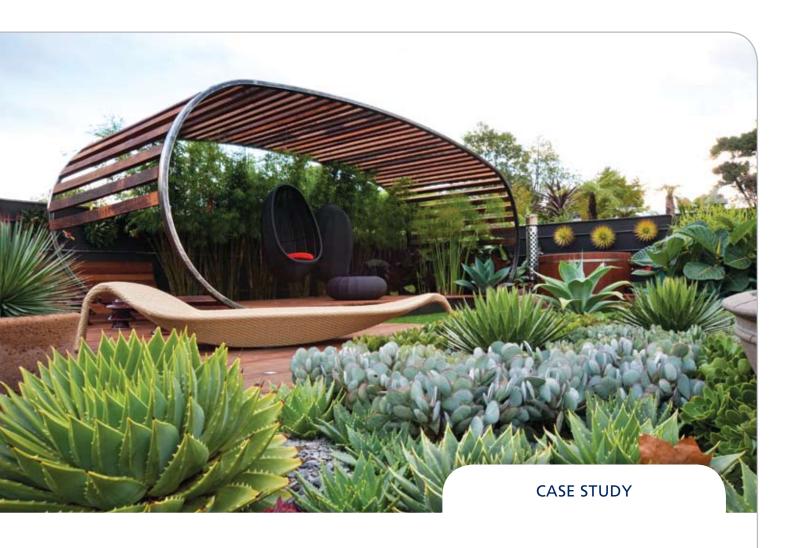
Buskers Festival

CIAL will sponsor the World Buskers Festival in Christchurch in 2010 for the fifth consecutive year. This sponsorship assists the company to build relationships and firmly supports the Canterbury community.

Ellerslie International Flower Show

CIAL undertook a major sponsorship of the Ellerslie International Flower Show for a three year period in March 2009, enabling the company to reach the national domestic market and international markets further afield such as Australia and Japan to promote Christchurch as New Zealand's leading tourism gateway.

The first show was a success, with 78,500 people attending, doubling the expectations of the organisers. Of these, 5% were international visitors.



Ellerslie International Flower Show cultivates tourism growth

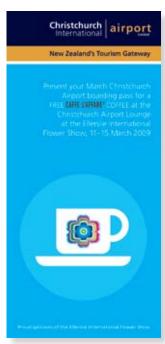
Taking a holistic view of tourism within the South Island is core to Christchurch International Airport Ltd's philosophy when it comes to sponsorships, and Chief Executive Jim Boult recalls that the opportunity to bring the Ellerslie International Flower Show to Christchurch was one that the airport company seized upon enthusiastically.

"The airport company wholeheartedly endorsed the decision to locate the show in Christchurch. This event provides Canterbury and the South Island with an opportunity to showcase our breathtaking natural landscape and our world class tourism offerings. The tourism growth potential is immense with this iconic event, and we are pleased to support it in a sponsorship capacity," he said.

"The dedication of the show's directors and the enthusiasm and passion of the people of the South Island has convinced me that the event will continue to grow and attract an increasing number of both domestic and international visitors."

For CIAL, sponsorships must meet the key objectives of supporting business growth through opportunities to increase tourism numbers, and provide social and community enrichment opportunities.

Travellers benefited directly from CIAL's sponsorship by swapping their Christchurch boarding pass for a free coffee at the Christchurch Airport Lounge at the show, where they also had the chance to win one of two autumn luxury escapes.









From left to right: Jim Boult, Neil Cochrane, Leeanne Carson-Hughes, Blair Forgie, Gareth Owen, Rhys Boswell, Geoff Eban



Jim Boult
Chief Executive

Jim joined CIAL in February 2009, having been a director since 2003. He has extensive business interests in many fields, including tourism, financial

services, property, automotive, publishing and hospitality. Jim has been a director, managing director and chairman of several substantial public and private companies. He holds a number of property interests in his own right.

In his home town of Queenstown, Jim has chaired several council sponsored charities, working parties and community groups. He has also served as a director and deputy chairman of Tourism New Zealand.

Jim's leisure activities include motor sport (he is a past national category champion), skiing, reading, fitness, jogging and taking walks with his family in the mountains near his central Otago home.



Neil Cochrane
General Manager
Business Services

Neil joined CIAL in 2005 after nearly six years with Meridian Energy. He has extensive experience in both New Zealand and Australia in establishing

new corporate entities and in companies undergoing major organisational change, across a range of industries, including telecommunications, health, primary sector and manufacturing. Neil's team provides business support to the company through the finance, business analysis, organisation risk management, and technology solutions functions. Neil describes himself as a "typical kiwi" who enjoys the rural outdoors on his lifestyle block, including riding his horse around the local area.

Team responsibilities

- Provide expert business capability
- Finance and treasury management (including funding and cash management)
- Risk management (ensuring business continuity and mitigation of business risk)
- Technology solutions (both day-to-day operations and the development of CIAL's future technology platforms)



Leeanne Carson-Hughes

General Manager Human Resources

Leeanne joined the company in November 2008, having previously held senior roles at Wrightson and more recently as the General Manager Human

Resources at Crop & Food Research. Leeanne is also the president of the Canterbury branch of the Human Resources Institute of New Zealand (HRINZ). She enjoys time with her two sons and husband and summer sees them out boating and fishing throughout the South Island, while winter is filled with rugby. Leeanne also enjoys travelling to a wide range of overseas destinations.

Team responsibilities

- Day-to-day HR support to line managers
- Organisational support for new initiatives
- Employee and organisational wellness
- Capability building
- Resource planning for the future



Blair Forgie

General Manager Property

Blair commenced his role as General Manager Property in March 2009 having previously worked for CIAL since the beginning of 2009 in an advisory

role. Blair is a registered valuer and chartered accountant and has most recently been an independent property consultant. Previously Blair held positions with AMP Capital Investors and Ernst & Young. Blair describes himself as a family man who enjoys making the most of Christchurch's big back yard and getting down to Sumner beach with his two young boys and wife.

Team responsibilities

- Implementation of the airport's commercial property management and development strategy
- Implementation of the airport's terminal property management and development strategy with a particular emphasis on retail and concession areas
- Focus on key commercial partnerships with airlines, retail operators, airport business partners, ground transport operators and industry stakeholders



Rhys Boswel

General Manager Planning and Environment

Rhys was appointed to the position of General Manager Planning and Environment in June 2009 having previously worked for CIAL in a variety of management roles since

March 2000. Rhys brings specific experience including RMA planning, master planning, environmental management, project management and property development, gained through his years of professional experience at Hong Kong, and Christchurch International Airports. Away from the office Rhys enjoys spending time with his family, slowly renovating their home, or enjoying a variety of outdoor pursuits.

Team responsibilities

- Develop and implement the company's long term airport infrastructure / land-use planning strategy (airside and landside) and the environmental management strategy
- Ensure compliance with all legislation relating to airport planning / environment
- Responsible for the management and procurement of resource consents that supports the airports development needs



Gareth Owen

General Manager Marketing and Business Development

Gareth joined the company in September 2006, with a strong background in marketing and business development. Gareth previously held senior managerial

roles within the travel and tourism industry in both Australia and New Zealand. Gareth is married and has two children under the age of two. In his spare time he enjoys spending quality time with his family, loves camping, and is a keen runner. One day, he'd like to get back into tramping and skiing as well.

Team responsibilities

- Route development
- Develop and implement business growth strategies
- Communications and corporate relations
- Focus on key partnerships with airlines, tourism operators, airport businesses and industry operators



Geoff Ebar

General Manager
Operations and Infrastructure

Geoff joined the company in October 2007 after 36 years with the Air New Zealand group in technical and engineering positions. Having spent the past

15 years with Air Nelson, Geoff has a strong knowledge of the regulatory, compliance and technical aspects of the aviation industry. Outside of the office, Geoff enjoys running, fly fishing, listening to Bob Dylan and using his wood work skills to re-create antique furniture.

Team responsibilities

- Operational quality management and compliance
- Day-to-day operations at the airport including:
 - Customer services
 - Travel and information centres
 - Rescue fire
 - Car parking and land transport
 - Maintenance of the airport facilities



providing best practice —

Organisational change

CIAL has been through a process over the past year of streamlining business processes and aligning staff organisation wide, in order to control operational costs to best practice levels while maintaining acceptable levels of customer service. The company's Worksmart project is reshaping CIAL's people, operating processes and cost base to deliver efficiency. While tangible financial savings are one outcome, ongoing benefits will be derived from organisational efficiency, improved productivity, being 'best in class', improved customer service levels, greater flexibility to change, and less organisational risk.

The entire business is being extensively reviewed under a Worksmart project, with the majority of the project to be completed by the end of 2009. This year, the project has resulted in the decision to retain the travel & information, post, and facilities services departments in-house, while the company's luggage storage operations have been outsourced, and The Studio gift shop has been closed, replacing the space with an independent shop.

Alongside the Worksmart project, CIAL's Employer Brand programme has been progressed this year, to enable the company to provide best practice human resource and development platforms to leverage success for the company. A strong employer brand will assist the company to attract and retain the best available people across the business, and will improve employee engagement.

Internal communications

CIAL will continue to undertake the annual Staff Climate Survey to understand the "health" of the company measured against staff satisfaction, commitment, trust, and pride in working for CIAL. The climate survey also helps to identify key issues for the Leadership Team to focus on and provide clear direction for improvement.

During the year, several strategies have been introduced by the Leadership Team to improve staff communications across the business. Initiatives introduced this year, amongst others, include a "Welcome Aboard" fully integrated induction program, a bi-monthly "Captain's Table" interactive session between staff and the Chief Executive, an "In the Jump Seat" job shadowing programme, and a "Develop Me, Develop my Company" training and development programme across the organisation.

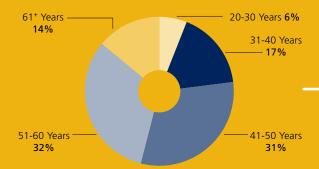
Achievements

- Reviews completed in accounts, travel & information, post & baggage, The Studio, and facilities services, with the closure of The Studio in October 2008
- Appointment of a new chief executive, and general manager roles in the planning, property and human resources departments
- Implementation of a Performance Management Programme across relevant sectors of staff
- Development of a united and focused Leadership team combining both the executive management and senior management teams to drive and cement change
- Further refining and streamlining of recruitment and selection process
- Renegotiation of four Collective Agreements

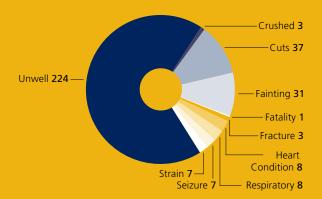




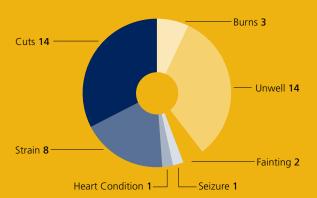




Health and Safety Incidence Reports for Members of the Public



Health and Safety Incidence Reports for People Working at the Airport



The following targets are identified in CIAL's 2008/2009 Statement of Intent:

Performance Target	2008/2009 Targets	Achievements
To minimise the impact of airport activities on groundwater quality through cost effective measures to avoid or mitigate the risks of contamination	 Increase the number of environmental compliance audits from 30 to 35 Ensure 100% of all storm water drainage inlets are labelled Develop Environmental Training Awareness Programme with focus on groundwater protection 	 There were approximately 35 audits carried out during the year All new storm water drainage inlets labelled together with ongoing programme to label existing drainage outlets Training DVD produced and training delivered to a variety of operators at the airport
2. To investigate and implement cost effective ways in which to progressively reduce the amount of solid waste arising from airport activities being disposed of to landfill through the development of waste minimisation and recovery measures	 Implement recommendations from the waste audit Manage and measure amount of construction and waste disposal to landfill during ITP development through Target REBRI Programme 	Recycling collection programme installed in International Terminal and carpark to reduce waste to landfill This will occur during the ITP development programme
3. To minimise the energy consumption by airport activities through the pursuit of efficient energy practices	 Maintain carbon neutral status for CIAL's operational activities Prepare a programme to support tenants and business partners becoming carbon neutral Monitor energy consumption of ITP and reflect such non repeat activities in long term efficiency gain targets 	 Carbon Neutral status maintained Programme development is ongoing including educational workshops with airport tenants Will occur post development
To have regard to our corporate social responsibility and community interest	Support the Ellerslie Flower Show and targeted sponsorship activities	Support contributed to a successful Ellerslie show outcome
5. To manage operational risk	 Work toward achieving a bird strike incidence rate of 3<5/10,000 aircraft movements, on a 12 month rolling average basis, in line with the level set for airports of a similar scale Work with statutory authorities and the community toward achieving acceptance of need for noise contours to protect the 24/7 airport operating status 	 The bird strike rate for the 12 months is estimated to be less than 3 per 10,000 aircraft movements The noise contours are currently the subject of an Environment Court hearing

SUSTAINABILITY INDEX

The Global Reporting Initiative (GRI) is an international framework for reporting the impact of company performance. We have adopted it to provide a tangible measure of our achievements from an economic, environmental and social perspective.

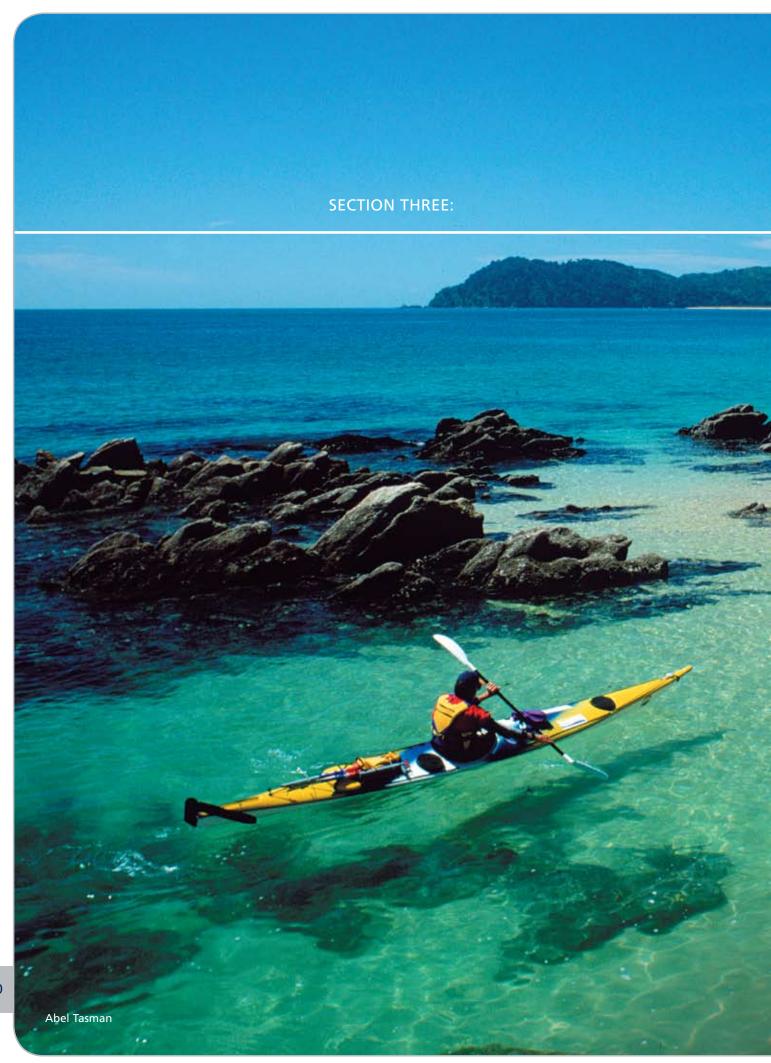
Contents Index:

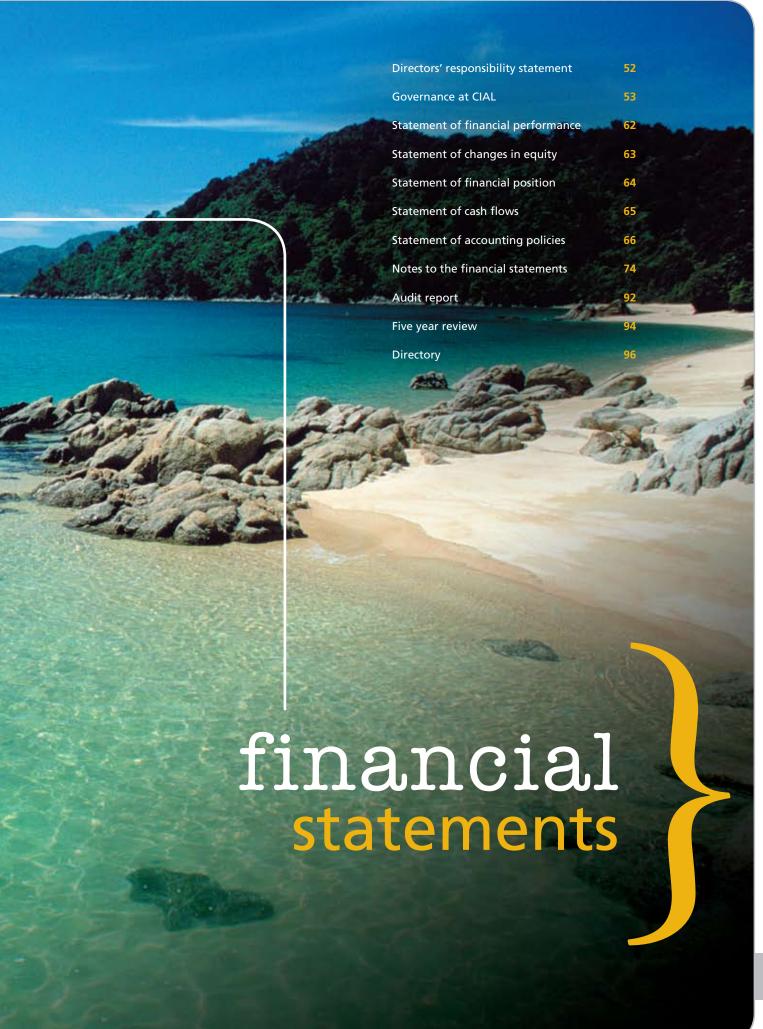
GRI Reporting Element	In this Report
Vision and Strategy Sustainable Development Vision and Strategy CEO Statement	Vision (inside cover), Strategic Direction (page 14) Sustainable Growth (page 26) Chairman and Chief Executive's Reports (page 6)
Profile Organisational profile Report scope, report profile	Strategic Direction (page 14) Corporate Governance and Financial Statements (page 50) Year at a Glance (page 4) Our People (page 44) Community Involvement (page 38)
Governance Structure & Management Systems Structure and Governance Stakeholder Engagement Policies and Management Systems	Corporate Governance (page 53) Directory (page 96) Chairman and Chief Executive's Reports (page 6)
Economic Customers, suppliers, employees Capital, public sector Indirect economic impacts	Chairman and Chief Executive's Reports (page 6) Year at a Glance (page 4) Environmental Sustainability (page 30) Corporate Governance and Financial Statements (page 50) Our People (page 44) Aeronautical Developments (page 16) Terminal Property Development (page 22) Commercial Property Development (page 24)

GRI	Repo	rting	Elei	ment
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In this Report

Environmental Materials, energy, water, biodiversity Emissions, effluents and wastes, suppliers Products and services, compliance, transport	Chairman and Chief Executive's Reports (page 6) Environmental Sustainability (page 30) Our People (page 44) Commercial Property Development (page 24)
Social: Labour Practices & Decent Work Employment, labour relations Health and safety Training and education Diversity and opportunity	Chairman and Chief Executive's Reports (page 6) Our People (page 44) Environmental Sustainability (page 30) Corporate Governance (page 53)
Social: Human Rights Strategy and management, Collective bargaining, security procedures	Our People (page 44)
Social: Society Community, bribery and corruptions Political Contributions Competition and pricing	Commercial Property Development (page 24) Community Involvement (page 38) Terminal Property Development (page 22) Corporate Governance and Financial Statements (page 50)
Social: Product Responsibility Customer Health and Safety Products and Services Privacy	Commercial Property Development (page 24) Our People (page 44) Chairman and Chief Executive's Reports (page 6)





DIRECTORS' RESPONSIBILITY STATEMENT

The Directors are responsible for ensuring that the financial statements give a true and fair view of the financial position of the company as at 30 June 2009, and the financial performance and cash flows for the year ended on that date.

The Directors consider that the financial statements of the company have been prepared using appropriate accounting policies, consistently applied and supported by reasonable judgments and estimates, and that all relevant financial reporting and accounting standards have been followed.

The Directors consider that proper accounting records have been kept, which enable, with reasonable accuracy, the determination of the financial position of the company and facilitate compliance of the financial statements with the Financial Reporting Act 1993.

The Directors consider they have taken adequate steps to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

The Directors have pleasure in presenting the financial statements, set out on pages 62-91, of Christchurch International Airport Limited for the year ended 30 June 2009.

The Board of Directors of Christchurch International Airport Limited authorise these financial statements for issue on 20 August 2009.

Swand Sheldon

For and on behalf of the Board

Mulling

David Mackenzie CHAIRMAN Sue Sheldon
DEPUTY CHAIRMAN

GOVERNANCE AT CHRISTCHURCH INTERNATIONAL AIRPORT LIMITED

COMMITMENT

Directors and management at Christchurch International Airport Limited (CIAL) are committed to effective governance. As with safety and quality, governance includes a set of systems and processes, supported by people with the appropriate competencies and principles. This provides shareholders and other stakeholders with the assurance that the company delivers on its promises.

Governance by its very nature is ongoing; it does not have a finite end. It continually evolves to meet changing commercial circumstances; new techniques are developed, learnings gained from past experiences and other organisations that need to be considered, and if deemed appropriate, incorporated into our systems.

REGULATORY FRAMEWORK

CIAL operates in New Zealand and is governed by a range of legislation and regulation. It is subject to regulatory control under the Airport Authorities Act with future monitoring of Aeronautical Economic Performance reverting to the Commerce Commission from 2010 following the passing of the Commerce Amendment Act 2008. In addition it is regulated as an Airport under the Civil Aviation Act, Part 139, in terms of operational performance. CIAL aims to make sufficient disclosure so that the reader of the Annual Report will be able to assess the effectiveness of the company's corporate governance.

BOARD ACCOUNTABILITY

The Board is ultimately responsible for approving CIAL's strategic direction; oversight of the management of the company and achievement of its business strategy, with the ultimate aim being to increase shareholder value and ensuring the obligations of the company are properly met.

The Board is accountable to shareholders for CIAL's performance and in carrying out its principal function, the Board's specific responsibilities include:

- Providing strategic direction for, and approving, CIAL's business strategies and objectives
- Adopting appropriate procedures to ensure compliance with all laws, governmental regulations, applicable codes and accounting standards
- Ensuring that CIAL's internal decision making and compliance policies and procedures are implemented, to ensure that the business of the Company is conducted in an open and ethical manner
- Ensuring that CIAL's goals are clearly established, and that strategies are in place for achieving them (such strategies being expected to originate, in the first instance, from management)
- Establishing policies for strengthening CIAL's performance, including ensuring that management is proactively seeking to build the business through innovation, initiative, technology, service excellence and the development of its business capital
- Establishing performance criteria for CIAL and monitoring the performance of the Chief Executive Officer (CEO) and management against these
- Appointing the CEO, setting the terms of the CEO's employment contract and, where necessary, terminating the CEO's employment with the company
- Deciding necessary actions to protect CIAL's financial position and it's ability to meet its debts and other obligations when they fall due, and ensuring that such actions are taken
- Ensuring that CIAL's financial statements are true and fair and otherwise conform with law
- Ensuring that the company adheres to high standards of ethics and corporate behaviour
- Ensuring that CIAL has appropriate risk management and regulatory compliance policies in place and that these are monitored on a regular basis.

In the normal course of events, day-to-day management of CIAL will be delegated to management.

GOVERNANCE AT CHRISTCHURCH INTERNATIONAL AIRPORT LIMITED

BOARD STRUCTURE

The composition of the Board reflects an appropriate mix of skills required to discharge the duties and responsibilities of the Board and aligns to the interests of the shareholders as a whole, establishing the company's strategy and ensuring that it is implemented.

The Board consists of six directors; four appointed by majority shareholder, Christchurch City Holdings Ltd, and two appointed by the Minister of Finance and the Minister for State Owned Enterprises (on behalf of the New Zealand Government).

Directors' appointments are for such period as determined by the relevant shareholder, but shall not exceed three years. Retiring directors may be reappointed by the relevant shareholder by way of notice prior to the Annual General Meeting.

Fees for the Board are reviewed annually by the shareholders using independent advice.

The Board has three formally constituted committees; the Risk, Audit and Finance Committee, the Remuneration Committee and the Property Committee. All committees have board-approved terms of reference outlining the committee's authority, duties and responsibilities and relationship with the Board. Additional committees may be established on the basis of need. Each committee must include a representative of each class of shareholder.

INDUCTION OF NEW DIRECTORS

On their first appointment, directors undertake an induction programme aimed at deepening their understanding of the company business and the environment and markets in which the company operates. The Chairman oversees the design and implementation of the induction programme. As part of the programme directors receive a folder of essential board and company information and meet key management.

Directors are expected to be familiar with changes and trends in the business, the operating environment, markets and the economic, political, social and legal climate generally.

OPERATION OF THE BOARD

The Board meets eleven times per year, at monthly intervals. The table on the following page sets out the board and sub-committee meetings attended by the directors during the course of the year.

Directors unable to attend board or committee meetings review the relevant papers and provide comments to the Chairman or Committee Chairman as appropriate.

The Chairman, CEO and General Manager Business Services prepare the agenda for each meeting and board papers are provided to the Directors prior to the meeting.

At each monthly meeting CIAL's interests register is updated as necessary and the Board considers:

- A report from the CEO focusing on company performance including operating performance, property development, planning, safety, environmental and financial performance, identification and management of risks and, as appropriate, progress towards the achievement of company goals and business targets
- Specific proposals for capital expenditure and acquisitions
- Update of management's activities including a detailed insight of operations, challenges, issues and accomplishments
- Standard items and action items arising from previous meetings.

In addition, based on a predetermined schedule, the Board:

- Reviews and approves the company objectives and strategies, business plan and budgets including the annual profit targets and capital investment programmes
- Approves the annual and half-yearly financial statements, including the Annual Report to Shareholders and public announcements
- Considers and, if appropriate, declares the payment of dividends
- Reviews directors' remuneration following approval from shareholders
- Reviews the CEO's performance and remuneration

- · Reviews remuneration policies and practices including at-risk incentive schemes for management
- Reviews risk assessment policies and controls, including insurance cover and compliance with legal and regulatory requirements
- Reviews CIAL's code of conduct and ethical standards
- Sets the following year's board work plan.

The Board periodically critically evaluates its own performance and its processes and procedures to ensure that they are not unduly complex and that they assist the Board in effectively fulfilling its role and performing its duties.

Board and Committee Meeting attendance	Board m	neetings	Risk, Audit and Finance Committee meetings	Remuneration Committee Meetings	Property Committee meetings
	Regular	Special			
Total number of meetings held	10	3	4	3	6
D. Mackenzie (appointed August 2008)	9	3	2	3	5
S. Sheldon	10	3	4	-	-
J. Boult	10	2	2	-	5
P. Carter	9	3	-	2	6
H. Johnstone	9	2	-	3	6
A. Harper	9	3	4	-	-
S. Bradley (resigned October 2008)	3	-	1	1	2

COMMUNICATION WITH SHAREHOLDERS

In accordance with the Local Government Act 2002, CIAL submits a draft Statement of Intent (SoI) for the coming financial year to shareholders. The SoI sets out the company's overall objectives, intentions and financial and performance targets. After due consultation and discussion, the SoI is finalised with the shareholders.

The Board aims to ensure that shareholders are informed of all major developments affecting the company's state of affairs, while at the same time recognising that commercial sensitivity may preclude certain information from being made public. Within this constraint, information is communicated to the shareholders through periodic reports, occasional briefings and through both the annual report and the half-annual report.

In addition, CIAL proactively develops positive and proactive relationships with stakeholders, to ensure effective communication of the initiatives being pursued through the implementation of the ten year strategic plan.

ETHICAL AND RESPONSIBLE DECISION MAKING

The Board considers that responsible and ethical decision making is supported by the highest standards of corporate behaviour towards our stakeholders.

The Business Plan, incorporating CIAL's values and aspirations, is communicated to all staff.

All directors and employees are expected to act honestly in all of their business dealings and to act in the best interests of the company at all times.

GOVERNANCE AT CHRISTCHURCH INTERNATIONAL AIRPORT LIMITED

RISK RECOGNITION AND MANAGEMENT

CIAL has developed a comprehensive risk management framework to identify and manage all business risks. A risk is defined as any event that may inhibit the company in meeting its objectives. Risk management takes place in the context of CIAL's day-to-day activities and is used to identify:

- The potential consequence (measured in terms of the impact on people, finances, environment and reputation) and probability (measured in terms of likely occurrence) of an event activity
- Activities and systems in place to mitigate a risk
- The residual unmitigated risk.

The Board will determine its appetite for risk by considering whether the residual unmitigated risk is acceptable and if necessary plans are put in place for additional controls or systems. The major initiatives will be reflected as activities in the Business Plan.

The Board will review CIAL's risk profile annually, and the Risk, Audit and Finance Committee reviews risk activity on a quarterly basis.

Business Assurance

The role of Business Assurance, outsourced to an external service provider, is to develop a comprehensive continuous audit and improvement program, which supports CIAL's risk management process. Business Assurance is used to verify the company's risk profile and to confirm that risk mitigation is operating as documented.

A comprehensive register of action items arising from Business Assurance reviews is maintained; which includes a description of the action item, records target completion dates, and responsibility for completion. Progress of high-and medium-rated action items is reviewed by the Executive Team.

A register, as part of the developed risk management framework, will also be maintained of all incidents and noncompliance events, including near misses.

Chief Executive Officer and General Manager Business Services Assurance

The CEO and General Manager Business Services have provided written assurance to the Risk, Audit and Finance Committee regarding the adequacy of:

- Governance, ethics and compliance assurance
- Financial policies and systems of internal control
- Health, safety and environment.

There were no qualifications to the assurances provided by management for the year ended 30 June 2009.

Insurance and Indemnities

CIAL has a comprehensive insurance programme as part of risk mitigation. This programme is reviewed annually to ensure that appropriate cover is in place.

Deeds of Indemnity have been given to directors in relation to potential liabilities and costs they may incur for acts or omissions in their capacity as directors. In addition, Deeds of Indemnity have been provided to certain senior staff in relation to potential liabilities and costs they may incur for acts or omissions in their capacity as employees of CIAL.

During the year, the directors' and officers' liability insurance was renewed to cover risks arising out of acts or omissions of directors and employees in their capacity as such. Insurance is not provided for dishonest, fraudulent, malicious or wilful acts or omissions. The insurance cover is provided by QBE Insurance (International) Ltd and Vero Liability Insurance (NZ). The cost of the cover for the year to 30 June 2009 is \$34,320.

INTEGRITY IN FINANCIAL REPORTING

Going concern

The directors have considered whether it is appropriate to prepare the 2009 financial statements on the basis that CIAL is a going concern. As part of its normal business practices, the company prepares annual budgets and longer term financial and business plans. In reviewing this information, the directors are satisfied that the company has adequate resources to continue in business for the foreseeable future. For this reason, the directors continue to adopt the going concern basis in preparing the Group's financial statements.

System of internal controls

CIAL has a comprehensive management system, which covers all aspects of its business. The management system incorporates internal financial and operational controls, is designed to meet CIAL's particular needs and aims to:

- Facilitate effective and efficient operations
- Safeguard the company's assets
- Ensure proper accounting records are maintained
- Ensure that the financial information used within the business and for publication is reliable

The system is formally documented and includes performance standards, policies, procedures, instructions and guidance.

Such a system of internal control can only be designed to manage, rather than eliminate, risk of failure to achieve business objectives and can provide reasonable, but not absolute, assurance against material misstatement and loss.

THE BOARD'S RELATIONSHIP WITH MANAGEMENT

Position of CEO

The CEO is the primary point of accountability and link between the Board and operational management functions.

All Board authority conferred on management is delegated through the CEO so that the authority and accountability of management is considered to be the authority and accountability of the CEO so far as the Board is concerned.

The Board and CEO agree to meet specific results directed towards the company goals. This will usually take the form of an annual performance programme directed at achieving the company goals.

The Board systematically and rigorously monitors the CEO's performance against the criteria established in the performance objectives and the company goals.

Between board meetings the Chairman maintains a link between the Board and the CEO. He is kept informed by the CEO on all important matters, and is available to the CEO to provide counsel and advice where appropriate. The Chairman however does not use this link to personally manage the CEO and does not impede the flow of information to the Board necessary for sound governance.

Only decisions of the Board acting as a body are binding on the CEO. Decisions or instructions of individual directors, officers or committees can not be given to the CEO and are not binding in any event except in those instances where specific authorisation is given by the Board.

The Board instructs the CEO through written policies that prescribe the shareholder benefit to be achieved (company goals) and the organisational circumstances to be avoided, allowing the CEO any reasonable interpretation of those policies. The Board is the final arbiter of "reasonableness" based on a "reasonable person" test.

GOVERNANCE AT CHRISTCHURCH INTERNATIONAL AIRPORT LIMITED

Delegation of responsibilities

The Board delegates management of the day-to-day affairs and management responsibilities of the CEO and the executive to deliver the strategic direction and goals determined by the Board. This delegation includes:

- Operating CIAL's business within the parameters set by the Board
- Developing business plans, budgets and company strategies for the Board's consideration
- Identifying and managing business risks
- Managing CIAL's current financial and other reporting mechanisms
- Implementing and monitoring CIAL's internal controls, policies and procedures

BOARD SUB-COMMITTEES

Risk, Audit and Finance Committee

The Risk, Audit & Finance Committee consists of three board members who have appropriate financial experience and understanding of the company's industry. The Board requires that at least one member of the Audit Committee be a "financial expert".

The role of the Risk, Audit and Finance Committee is to assist the Board of Directors to discharge its responsibility to exercise due care, diligence and skill in relation to:

- Risk management systems and the internal control system
- Business policies and practices
- Protection of the company's assets
- Compliance with applicable laws, regulations standards and rules
- Reporting of financial information and disclosure requirements
- Financial management.

The Board authorises and empowers the Risk, Audit and Finance Committee to:

- Review and approve accounting policies and practices as they apply to the company
- Approve the annual business assurance plan, and regularly monitor business assurance findings
- Approve the external auditor's fee
- Appoint and remove business assurance and external auditors
- Recommend approval of the Annual Report
- Seek any information it may require from any employee or external party that it requires to fulfil its objectives
- Seek any outside external advice it may require.

In order to fulfil this role the committee meets independently with both the business assurance and external auditors to provide a forum for open discussion regarding management's integrity and performance. The external auditors are only permitted to engage on assurance work.

The members of the Risk, Audit and Finance Committee as at 30 June 2009 were Sue Sheldon (Chairman), Ann Harper, and Hanlin Johnstone (following the stand down by Jim Boult when he commenced the role of Acting Chief Executive in February 2009). The Chairman, David Mackenzie, is a member ex officio, and also attended meetings of the committee.

Remuneration Committee

The Remuneration Committee's role is to assist the Board in overseeing the management of CIAL's human resources activities. The responsibilities of the committee are as follows:

- To review the remuneration and human resources strategy, structure and policy for the company and reviewing remuneration practices to ensure that they are consistent with such policies
- To oversee CIAL's recruitment, retention and termination policies and procedures for senior management, and the succession planning for senior management and the Chief Executive Officer
- To review the performance of the Chief Executive Officer, the engagement agreement and benefit structure for the Chief Executive Officer and Executive Management group, and recommend to the Board senior executive incentive remuneration plans, other employee benefits, and key performance objectives of the Chief Executive Officer and Executive Management group.

The members of Remuneration Committee as at 30 June 2009 were David Mackenzie (Chairman), Philip Carter and Hanlin Johnstone.

Property Committee

The Property Committee's role is to assist the Board in overseeing the development and implementation of the property portfolio development and investment strategies and implementation of investment initiatives within that portfolio to maximise the value of CIAL's property holdings.

The responsibilities of the committee are as follows:

- To review the company's property strategy (including its priorities) regularly to ensure that it remains appropriate having
 regard to all relevant matters. Such matters shall include the company's financial position, maintenance of a balanced
 property portfolio, property market conditions, regulatory planning issues, strategic focus and priorities, timetabling of
 investments, and any other matters considered relevant by the committee
- To review from time to time, and at least annually, the company's progress in implementing the approved property strategy, in respect of both its property investment and property management activities
- To report the outcome of reviews undertaken under this heading to the Board, with any necessary analysis, commentary, and reports, and make resulting recommendations to the Board.
- The members of the Property Committee as at 30 June 2009 were Philip Carter (Chairman) Hanlin Johnstone and David Mackenzie. (Jim Boult stood down in February 2009 when he commenced the role of Acting Chief Executive).

GOVERNANCE AT CHRISTCHURCH INTERNATIONAL AIRPORT LIMITED

REMUNERATION

Directors

The total remuneration paid to Directors for the year ended 30 June 2009 is:

Name	Remuneration
D Mackenzie (appointed August 2008)	60,788
S Sheldon*	57,390
J Boult*#	207,140
P Carter*	48,260
H Johnstone*	45,184
A Harper*	41,197
S Bradley* (resigned October 2008)	33,765

Note

*This sum includes a backdated adjustment for fees for the period ending 30 June 2008 to recognise additional special meeting activity during this period.

#This sum includes the payment of directors' fees to mid February 2009 and contract fees paid for the provision of services as Acting Chief Executive from mid February 2009 to 30 June 2009.

No other remuneration or benefits other than reimbursement of expenses has been paid or given to directors. CIAL has neither made loans to any director, nor has the company guaranteed any debts incurred by a director.

CIAL employees

Framework for remuneration

The Remuneration Committee is responsible for reviewing remuneration policy and human resources strategy, structure, policy and practices. It seeks external expert advice on best practice remuneration structures and market trends to ensure that the remuneration strategy for CIAL contributes to effective performance and value creation. To grow and be successful, CIAL must be able to attract, retain and motivate capable individuals.

The key principles determined by the Remuneration Committee that underpin CIAL's remuneration policies are that rewards are market-competitive and that remuneration is linked to performance to attract and retain talented individuals. The overall cost of remuneration is managed and linked to the ability of the company to pay.

The Remuneration Committee reviews the Chief Executive Officer's performance evaluation of his direct reports and approves the remuneration and other variations to the terms and conditions of employment of his direct reports.

The numbers of employees and former employees, other than directors of the company, whose remuneration and benefits fall within specified bands are listed below. Remuneration includes all non-cash benefits and redundancy payments where applicable.

Remuneration Ranges	Number of Employees
\$100,001 - \$110,000	1
\$110,001 - \$120,000	1
\$120,001 - \$130,000	3
\$130,001 - \$140,000	2
\$140,001 - \$150,000	2
\$150,001 - \$160,000	2
\$180,001 - \$190,000	1
\$190,001 - \$200,000	1
\$200,001 - \$210,000	1
\$210,001 - \$220,000	1
\$250,001 - \$260,000	1
\$380,001 - \$390,000	1

CORPORATE RESPONSIBILITY AND SUSTAINABILITY

CIAL seeks to operate the business in a sustainable manner. As such, it is committed to run the business in a way that minimizes its environmental and social impact, whilst at the same time maximizing its economic contribution to Canterbury and the South Island as a whole.

The CIAL purpose and values statements guide the behaviour of all CIAL staff and how they conduct CIAL's business. The purpose defines what CIAL does and CIAL's values state how CIAL people choose to interact with each other, customers, suppliers and communities.

The Chief Executive Officer is required to ensure that managers act in a manner that is consistent with corporate policy and direction.

The Board has established governance principles that provide a broad description of the way in which the Board expects the company to be managed for shareholders' benefit.

These are:

- Grow shareholder value, with business strategies that are customer and market focused
- Overarching strategy and policy are decided at corporate level, with the development of strategic relationships being pursued to create a source of competitive advantage
- Accountability is clear and measurable, and systems and processes support strategy
- The organisational model must provide flexibility for change.

STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 30 June 2009

	Note	2009	2008
		\$000	\$000
		****	4
REVENUE			
Operating revenue	1	89,882	85,097
Fair value (loss)/gain on investment properties	17	(3,956)	3,885
Interest income	2	848	451
Total revenue		86,774	89,433
EXPENSES			
Employee remuneration		13,127	13,184
Other operating costs	3	18,735	18,473
Financing and interest costs		7,389	6,390
Depreciation and amortisation	4	22,950	17,836
Terminal development project costs	5	2,484	649
Total expenses		64,685	56,532
Operating surplus before income tax		22,089	32,901
Income tax	6	7,403	9,542
Net operating surplus after income tax		14,686	23,359

STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2009

Note	2009	2008
	\$000	\$000
	563,272	552,796
11	94	-
11	(7,286)	(1,698)
11	2,280	(180)
	(4,912)	(1,878)
	14,686	23,359
	9,774	21,481
9	(12,929)	(11,005)
	560,117	563,272
	11 11 11	\$000 563,272 11 94 11 (7,286) 11 2,280 (4,912) 14,686 9,774

STATEMENT OF FINANCIAL POSITION

as at 30 June 2009

	Note	2009	2008
		\$000	\$000
EQUITY			
Share capital	10	57,600	57,600
Reserves	11	294,545	299,457
Retained earnings	11	207,972	206,215
Total equity		560,117	563,272
NON-CURRENT LIABILITIES			
Torm harrowings	12	105,000	EE 000
Term borrowings Derivative financial instruments	13	5,815	55,000
Deferred taxation	7	56,126	64,559
befored toxation	,	30,120	04,555
Total non-current liabilities		166,941	119,559
CURRENT LIABILITIES			
Trade and other payables	14	12,357	10,878
Current portion of borrowings	12	12,337	63,000
Taxation	6	2,332	-
Derivative financial instruments	13	1,274	228
	.5	.,_, .	220
Total current liabilities		15,963	74,106
Total equity and liabilities		743,021	756,937
NON-CURRENT ASSETS			
Property, plant and equipment	15	658,051	657,560
Investment properties	17	77,391	75,359
Intangible assets	16	1,278	1,241
Derivative financial instruments	13	-	3,519
Total non-current assets		736,720	737,679
		,	
CURRENT ASSETS			
Cash and cash equivalents	18	847	424
ITP foreign currency	19	-	11,787
Trade and other receivables	20	4,974	4,122
Taxation receivable	6	-	2,192
Inventories	21	480	580
Derivative financial instruments	13	-	153
Total current assets		6,301	19,258
		.,	
Total assets		743,021	756,937

	Note	2009 \$000	2008 \$000
		\$000	\$000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash was provided from:			25.424
Receipts from customers		89,640	85,434
Interest received Net Goods and Services Tax received		869 116	431
Net Goods and Services lax received		110	-
Cook was applied to:		90,625	85,865
Cash was applied to: Payments to suppliers and employees		34,271	32,410
Financing and interest costs		7,698	6,225
Net income tax paid		3,000	6,765
Subvention payments		3,353	3,261
Net Goods and Services Tax paid		-	70
		48,322	48,731
Net cash flows from operating activities	22	42,303	37,134
neet cash nows from operating activities		42,303	37,134
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash was provided from:			
Proceeds from sale of property, plant and equipment		634	51
Proceeds from realisation of foreign exchange		15,316	-
		15,950	51
Cash was applied to:		()	()
Purchase of property, plant and equipment		(26,593)	(27,849)
Purchase of investment properties		(4,623)	- (1 122)
Purchase of intangible assets Foreign exchange for ITP Project		(685)	(1,133) (15,316)
Totelgit exchange for the Project		-	(13,310)
Net cash flows from investing activities		(15,951)	(44,247)
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash was provided from:			
Borrowings		-	18,000
Cash was applied to:			
Dividends paid	9	(12,929)	(11,005)
Borrowings		(13,000)	-
		(25,929)	(11,005)
Net cash flows from financing activities		(25.929)	6.995
Net cash flows from financing activities		(25,929)	6,995
Net cash flows from financing activities Net increase/(decrease) in cash held		(25,929) 423	6,995 (118)
·			
Net increase/(decrease) in cash held		423	(118)

The accompanying notes form part of these financial statements

STATEMENT OF ACCOUNTING POLICIES

GENERAL INFORMATION

Christchurch International Airport Limited (the company) owns and operates Christchurch International Airport. The company is owned 75% by Christchurch City Holdings Limited, a wholly owned subsidiary of Christchurch City Council, and 25% owned by the New Zealand Government.

The company is a limited liability company incorporated and domiciled in New Zealand. The address of its registered office is Level 2 International Terminal Building, Christchurch International Airport, Christchurch.

These financial statements have been approved for issue by the Board of Directors on 20 August 2009.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand. They comply with the New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS), the International Financial Reporting Standards and other applicable Financial Reporting Standards, as appropriate for profit oriented entities.

a) Basis of preparation

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

Entity reporting

The financial statements are for Christchurch International Airport Limited. The wholly owned subsidiaries:

CIAL Holdings Number 1 Limited

CIAL Holdings Number 2 Limited

CIAL Holdings Number 3 Limited

CIAL Holdings Number 4 Limited

CIAL Holdings Number 5 Limited

have not been consolidated as they were not trading and held no assets or liabilities during and at the end of the period under review.

The company is designated as a profit-oriented entity for financial reporting purposes.

Statutory base

Christchurch International Airport Limited is a company registered under the Companies Act 1993.

The financial statements have been prepared in accordance with the requirements of the Airports Authorities Act 1966, the Local Government Act 2002, the Financial Reporting Act 1993 and the Companies Act 1993.

Functional and presentation currency

These financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$1,000). The functional currency of the company is New Zealand dollars.

Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain assets as identified in specific accounting policies.

Critical accounting estimates and assumptions

The preparation of financial statements requires the use of certain critical accounting estimates and assumptions. It also requires the company to exercise its judgement in the process of applying the accounting policies. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are set out below.

i. Identification of property, plant & equipment to be reclassified to investment property.

The company makes a decision on the assets to be included in Investment Properties by using a predetermined method of classification. The main factor of this classification is that the property is not used for aircraft related activities.

ii. Estimated life of the existing domestic terminal

The company has estimated the remaining life of the existing domestic terminal for valuation purposes. This period equals the estimated build time for the new terminal.

iii. Impairment assessment of ITP work in progress expenditure

The company has estimated the impairment of the ongoing value of ITP expenditure due to the continuous development of the design. This impairment has been subject to Quantity Surveyor and Project Managers' review.

Standards issued and not yet adopted

The following new standards and amendments are not yet effective for the year ended 30 June 2009 and have not been adopted in preparing these financial statements:

NZ IFRS 8 Operating Segments

NZ IFRS 8 Operating Segments, which supersedes NZ IAS 14 Segmental Reporting. This new standard provides guidance on the disclosure requirements in respect of the operating segments of entities. The company is awaiting the outcome of a proposed change in the standard by the Financial Reporting Standards Board that may result in the company being outside of the standards scope before assessing the impact.

NZ IAS 1 Presentation of Financial Statements (revised)

This revision changes the presentation and components of the statement of changes in equity and introduces a new statement of comprehensive income. The revised standard will impact on the presentation of the financial statements but will not impact on the financial performance or financial position of the company.

NZ IAS 23 (Amendment) borrowing costs

The amendment (effective from 1 January 2009) to the standard requires an entity to capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (one that takes a substantial period of time to get ready for use or sale) as part of the cost of that asset. The option of immediately expensing those borrowing costs will be removed. The company has applied NZ IAS 23 (Amendment) from 1 July 2009, and has not resulted in any material impact as the current accounting policy adopted by the company is consistent with the amendment.

b) Foreign currency translation

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Financial Performance, except when deferred in equity as qualifying cash flow hedges.

STATEMENT OF ACCOUNTING POLICIES

c) Revenue recognition

Revenue comprises the fair value of the sale of goods and services, excluding Goods and Services Tax, rebates and discounts. Revenue is recognised as follows:

i. Sales of goods

Sales of goods are recognised when the company has delivered a product to the customer.

ii. Sales of services

Sales of services are recognised in the accounting period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.

iii. Interest income

Interest income is recognised on a time proportion basis using the effective interest method.

iv. Rental income

Rental income is recognised on an accruals basis in accordance with the substance of the relevant agreements.

d) Income tax

Income tax expense in relation to the surplus or deficit for the period comprises current tax and deferred tax.

Current tax is the amount of income tax payable based on the taxable profit for the current year, plus any adjustments to income tax payable in respect of prior years. Current tax is calculated using the rates that have been enacted or substantially enacted by balance date.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, using tax rates that have been enacted or substantively enacted by balance date.

Current tax and deferred tax is charged or credited to the Statement of Financial Performance, except when it relates to items charged or credited directly to equity, in which case the tax is dealt with in equity.

e) Goods and Services Tax (GST)

The Statement of Financial Performance and the Statement of Cash Flows have been prepared so that all components are stated exclusive of GST. All items in the Statement of Financial Position are stated net of GST, with the exception of receivables and payables, which include GST invoiced. Commitments and contingencies are stated exclusive of GST.

f) Leases

Operating leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset to the lessee. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

g) Impairment

Non-financial assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

Financial assets

Assets are reviewed for impairment on a regular basis and any possible loss is recognised when the carrying amount exceeds its recoverable amount.

h) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held on call with financial institutions, other short term, highly liquid investments with original maturities 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, and bank overdrafts. Bank overdrafts are shown within the current liabilities on the statement of financial position.

i) Trade receivables

Trade receivables are recognised at fair value and subsequently measured at amortised cost, using the effective interest method, less provision for doubtful debts.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the Statement of Financial Performance.

j) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a weighted average basis, and includes cost of materials. Net realisable value is the estimated selling price in the ordinary course of business.

k) Other financial assets

Investments are recognised and derecognised on trade date where purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned.

The classification into the following category depends on the purpose for which the investment was acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

STATEMENT OF ACCOUNTING POLICIES

Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at balance date. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The company designates certain derivatives as either:

- i. hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge); or
- ii. hedges of highly probable forecast transactions (cash flow hedges).

The company documents, at the inception of the transaction, the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The company also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items.

i. Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the Statement of Financial Performance, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

ii. Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in equity in the hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in the Statement of Financial Performance. Amounts accumulated in equity are recycled in the Statement of Financial Performance in the periods when the hedged item will affect profit or loss (for instance when the forecast transaction that is hedged takes place). However, when the forecast transaction that is hedged results in the recognition of a non financial asset (for example, asset purchase) or a non financial liability, the gains and losses previously deferred in equity are transferred from equity and included in the measurement of the initial cost or carrying amount of the asset or liability.

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the Statement of Financial Performance or is capitalised on the recognition of a non-financial asset. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the Statement of Financial Performance.

iii. Derivatives that do not qualify for hedge accounting

Where derivative instruments do not qualify for hedge accounting or for which hedge accounting has not been adopted, changes in the fair value of these derivative instruments will be recognised immediately in the Statement of Financial Performance.

m) Fair value estimation

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

The fair value of financial instruments are valued using market rates at balance date. The fair value of forward exchange contracts is determined using forward exchange market rates at the balance date.

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n) Property, plant and equipment

The following assets are shown at fair value, based on periodic, but at least every five years, valuations by external independent valuers, less subsequent depreciation:

- Land
- Buildings
- Terminal facilities
- Airport sealed surfaces
- Infrastructure assets
- Car park

The last valuation was performed by Seagar and Partners (land and buildings) and Opus International Limited (airport sealed surfaces, terminal facilities and infrastructure assets) as at 30 June 2007. The car park was re-valued by Seagar and Partners as at 30 June 2009.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. All other property, plant and equipment is stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance is charged to the Statement of Financial Performance during the financial year in which they are incurred.

Increases in the carrying amounts arising on revaluation of land, buildings, airport sealed surfaces and infrastructure assets are credited to reserves in shareholders' equity. To the extent that the increase reverses a decrease previously recognised in the Statement of Financial Performance, the increase is first recognised in the Statement of Financial Performance. Decreases that reverse previous increases of the same asset are first charged against revaluation reserves directly in equity to the extent of the remaining reserve attributable to the asset; all other decreases are charged to the Statement of Financial Performance.

Depreciation

Land is not depreciated. Depreciation of property, plant and equipment is calculated on a straight line basis so as to expense the cost of the assets over their estimated useful lives. The useful lives are as follows:

•	Terminal	40 years
•	Other buildings	10 to 40 years
•	Sealed surfaces	9 to 100 years
•	Roading	50 years
•	Plant and equipment	3 to 25 years
•	Motor vehicles	5 to 16 years
•	Office and computer equipment	3 to 9 years
•	Carpark assets (excluding land)	50 years

Capital work in progress is not depreciated until commissioned.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. These are included in the Statement of Financial Performance.

STATEMENT OF ACCOUNTING POLICIES

o) Investment property

Land is held by the company for long term and strategic purposes and is not held for resale. Investment properties are land and buildings where the building is built to maximise the return on land, and buildings as an "interim use", are held for long term rental yield and are not occupied by the company.

Properties leased to third parties under operating leases are generally classified as investment property unless:

- The occupants provide services that are integral to the operation of the company's business and/or these services could not be provided efficiently and effectively by the lessee in another location
- The property is being held for future delivery of services
- The lessee uses services of the company and those services are integral to the reasons for the lessee's occupancy of the property.

Properties that are held for a currently undetermined future use, or that are vacant but held to be leased out under one or more operating leases, are classified as investment properties.

The classification of properties is done at the lowest possible level. Thus, where part of a property is occupied by a party other than the company, consideration is given to whether that portion of the building could be classified as an investment property. Classification as an investment property will be indicated if the section of the building could be separately sold or leased under a finance lease. If the section of the property occupied by a party other than the company is unable to be sold or leased separately from the rest of the building, the building is assessed as a whole and will usually only be classified as investment property if the company occupies an insignificant portion of the total building.

Investment property is carried at fair value, based on discounted cash flow projections, is determined annually by external valuers. Gains or losses arising from a change in fair value are recorded in the Statement of Financial Performance.

p) Intangible assets

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These have a finite useful life and are amortised on a straight line basis over the useful economic life of 2 to 5 years. Computer software licences are carried at cost less accumulated depreciation.

Costs associated with developing or maintaining computer software programmes are recognised as an expense as incurred.

q) Trade and other payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. These amounts represent liabilities for goods and services provided to the company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

r) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the Statement of Financial Performance over the period of the borrowings using the effective interest method.

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

Borrowing costs that are directly attributable to the acquisition or construction of an item of property, plant and equipment (qualifying asset) has been capitalised where the construction exceeds \$10 million and is greater than 12 months in duration.

Borrowing costs that are not capitalised are expensed as incurred.

s) Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

t) Provisions

The company recognises a provision for future expenditure of an uncertain amount or timing when there is a legal or constructive obligation as a result of a past event; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation.

u) Employee benefits

Liabilities for wages and salaries, including non monetary benefits, annual leave, long service leave and accumulating sick leave and other contractual payments expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Contributions to multi-employer defined benefit schemes are expensed when incurred. The manager of the scheme has advised there is insufficient information available to use defined benefit accounting as it is not possible to determine from the terms of the scheme, the extend to which the deficit will affect future contributions by employers, as there is no prescribed basis for allocation.

v) Dividends

Provision is made for the amount of any dividend declared on or before the end of the financial year but not distributed at balance date.

Dividend distribution to the company shareholders is recognised as a liability in the company's financial statements in the period in which the dividends are approved by the directors and notified to the company's shareholders.

for the year ended 30 June 2009

		2009	2008
		\$000	\$000
1. On another management			
1. Operating revenue			
Airport charges		23,426	23,763
Passenger departure charge		15,975	16,589
Lease rentals and concessions		37,765	32,714
Vehicle parking		9,209	9,003 1
Gain on disposal of assets Other revenue		- 3,507	3,027
Total operating revenue		89,882	85,097
2. Interest income			
Interest income was derived from:			
Short term bank deposits		231	181
Other		617	270
Total interest income		848	451
3. Other operating costs			
Other operating costs include:			
Audit fees	- financial report	86	78
	- disclosure regulations	10	10
Discrete and force	- NZIFRS	-	48
Directors' fees Doubtful debts		317	240 23
Donations		2	1
Electricity, fuel and oil		2,582	2,247
Lease and rental payments		473	430
Maintenance expense	- buildings and plant	2,723	2,377
	- sealed surfaces	141	209
Contributions to	- defined benefit schemes	6	5
	- defined contribution schemes	41	53
4. Depreciation, amortisatio	n and impairment		
Buildings		939	827
Terminal facilities		8,291	8,333
Sealed surfaces		4,944	4,678
Plant and equipment		357	330
Office and computer equipment		758	807
Carparking		1,485	1,473
Infrastructure		632	563
Motor vehicles		417	282
Total depreciation (note 15)		17,823	17,293
Amortisation on intangibles (note 16) Impairment of work in progress		614 4,505	504
Loss on disposal of assets		4,505	- 39
Total depreciation, amortisation ar	nd impairment	22,950	17,836

During the year the company's assets were tested for impairment by independent valuers. No impairment has been determined on these assets. Management then conducted impairment tests on work in progress and resulted in \$4,505,000 being written off (see note 15).

	2009	2008
	\$000	\$000
5. Integrated Terminal Development project costs	2,484	649

These are the incremental operating costs incurred directly as a consequence of the Integrated Terminal Development project, together with additional design costs incurred to meet customer requirements.

6. Income tax

a) Income tax expense

Operating surplus before income tax	22,089	32,901
Prima facie taxation at 33%	6,627	10,857
Plus/(less) taxation effect of:		
Expenses not deductible for tax purposes	3,810	3,074
Income tax attributable to operating surplus	10,437	7,783
(Over)/under provision in prior years	440	(400)
Deferred taxation adjustment	(3,474)	2,159
Current taxation expense	7,403	9,542
b) Taxation provision		
Taxation payable/(receivable) as at 1 July	(2,192)	509
Prior year adjustment	440	(400)
Income tax attributable to operating surplus	10,437	7,783
Subvention payment paid to Christchurch City Holdings Limited Group companies	(3,353)	(3,261)
Income tax paid to Inland Revenue Department	(3,000)	(8,600)
Income tax refunded by Inland Revenue Department	-	1,835
Deferred taxation	-	(58)
Taxation payable/(receivable) as at 30 June	2,332	(2,192)

for the year ended 30 June 2009

7. Deferred taxation liability

	Opening	Charged to	Charged	Closing
	balance	income	to equity	balance
	\$000	\$000	\$000	\$000
2009				
Property, plant & equipment	59,582	(2,289)	(3,108)	54,185
ntangible assets	103	245	-	348
nvestment properties	4,309	(259)	-	4,050
Provisions and payments	(468)	32	-	(436)
Cashflow hedges	1,033	(1,072)	(1,982)	(2,021)
	64,559	(3,343)	(5,090)	56,126
2000				
2008	59,087	495		E0 E93
Property, plant & equipment ntangible assets	184	(81)	-	59,582 103
nvestment properties	3,469	840	-	4,309
Provisions and payments	(496)	28	-	(468)
Cashflow hedges	1,060	754	(781)	1,033
easett ileages	.,,,,,	, , ,	(, 5.)	.,000
	63,304	2,036	(781)	64,559
		N /	2000	2000
		Note	2009	2008
			\$000	\$000
3. Imputation credit memorand	lum account			
Balance at beginning of the year			13,983	12,638
Income tax payments made (net)			3,000	6,765
Imputation credits attached to dividends pa	id		(6,368)	(5,420)
Balance at end of the year			10,615	13,983
9. Dividends				
2008 Final dividend paid (\$11.038 per share	<u>e</u>)		6,357	5,677
2009 Final dividend paid (\$11.409 per share			6,572	5,328
	•			
		11	12,929	11,005
10. Share capital				
·				
57,600,000 fully paid ordinary shares of \$1	each		57,600	57,600

All shares have equal voting rights and share equally as to dividends and surplus on winding up.

	2009 \$000	2008 \$000
	\$000	\$000
11 Peceryos and retained earnings		
11. Reserves and retained earnings		
a) Reserves		
Balances		
Cashflow hedges reserve	(5,442)	1,844
Asset revaluation reserve	299,621	299,527
Foreign currency cash flow reserve	-	(2,280)
Capital reserve	366	366
Balance at end of the year	294,545	299,457
Cash flow hadges recorve		
Cash flow hedges reserve Movements:		
	1,844	3,542
Balance at the beginning of the year Revaluation	(10,408)	(2,402)
Deferred tax	3,122	704
Deferred tax	3,122	704
Balance at the end of the year	(5,442)	1,844
Asset revaluation reserve	200	
Balance at beginning of the year	299,527	299,527
Revaluation	(3,014)	-
Deferred Taxation	3,108	-
Balance at end of the year	299,621	299,527
Comprising:		
Revaluation surplus on:		
Land	181,681	181,681
Terminal facilities	62,912	62,912
Buildings	4,441	4,441
Sealed surfaces	15,376	15,376
Infrastructure assets	5,843	5,843
Carparking	29,368	29,274
Balance at the end of the year	299,621	299,527
Earnigh currency cash flow recense		
Foreign currency cash flow reserve		
Movements: Balance at the beginning of the year	/2.200\	(2.100)
Exchange difference for the year	(2,280) 3,420	(2,100) (257)
Deferred tax	(1,140)	(237)
Deferred tax	(1,140)	77
Balance at the end of the year	-	(2,280)
Capital reserve		
Balance at the beginning of the year	366	366
Movements		-
Balance at the end of the year	366	366

for the year ended 30 June 2009

	Note	2009	2008
		\$000	\$000
b) Retained earnings			
Balance at the beginning of the year		206,215	193,861
Net surplus for the year		14,686	23,359
Dividends paid	9	(12,929)	(11,005)
Balance at end of the year		207,972	206,215

12. Borrowings

The company has a \$250,000,000 funding facility with four banks to fund the ongoing business and the terminal development. In addition, the company has an overdraft facility of \$1,000,000. (2008 \$250,000,000 funding facility and \$1,000,000 overdraft facility).

All borrowings under the bank facility and overdraft facility are unsecured and supported by a negative pledge deed. Interest rates paid during the year, including offsetting interest rate swaps, ranged from 7.08% to 8.55% (2008 7.07% to 7.84%).

Maturity of debt as at 30 June

	2009	2009	2008	2008
	\$000	\$000	\$000	\$000
	Actual	Facility	Actual	Facility
Maturing in				
2009	-	-	63,000	90,000
2010	-	-	-	-
2011	65,000	100,000	15,000	90,000
2012	-	80,000	-	-
2013	40,000	70,000	40,000	70,000
	105,000	250,000	118,000	250,000

During the year the company negotiated new facilities to replace those that matured during the year and are as set out in the above table.

The company has negotiated a new subordinated debt facility for \$50 million post balance date, to be drawn down as \$25 million (5 year maturity) and \$25 million (7 year maturity), to finance future development initiatives.

13. Derivative financial instruments

	Fair value		Notional principal	
	2009	2008	2009	2008
	\$000	\$000	\$000	\$000
Current assets		452		47.000
Interest rate swaps – cash flow hedges	-	153	-	17,000
Total current financial assets	-	153	-	17,000
Non-current assets				
Interest rate swaps – cash flow hedges	-	3,519	_	93,000
Total non-current financial assets		·		·
iotal non-current financial assets	-	3,519	-	93,000
Current liabilities				
Interest rate swaps – cash flow hedges	1,274	-	25,000	-
Forward foreign currency contracts	-	228	-	1,267
Total current financial liabilities	1,274	228	25,000	1,267
	-		-	-
Non-current liabilities				
Interest rate swaps – cash flow hedges	5,815	-	127,000	-
Total non-current financial liabilities	5,815	-	127,000	-
	2,2 12		,	
			2009	2008
			\$000	\$000
14. Trade and other payables				
Trade payables			2,568	1,438
Provision for refund			753	-
Employee entitlements and provisions			2,195	1,904
Goods and Services Tax			435	429
Accrued expenses			6,406	7,107
Total trade and other payables			12 257	10 070
Total trade and other payables			12,357	10,878
Included in employee entitlements there is a provision	on for organisational r	realignment		
	-	-		
Balance at beginning of the year			567	800
Expensed during the year			(296)	(233)
Dalamas at and of the com-			274	F.C.7
Balance at end of the year			271	567

for the year ended 30 June 2009

15. Property, plant and equipment as at 30 June 2009

Gross carrying amount

	Cost/valuation	Current year	Transfers	Disposals and	Revaluation	Cost/valuation
	1 July 2008	additions at cost	at cost	impairments	adjustment	30 June 2009
				at cost		
	\$000	\$000	\$000	\$000	\$000	\$000
Land	290,653	8,637	(1,365)	=	-	297,925
Buildings	27,907	579	-	-	-	28,486
Terminal facilities	148,412	689	(7)	-	-	149,094
Sealed surfaces	91,300	3,640	-	-	-	94,940
Plant & equipment	9,412	90	-	(7)	-	9,495
Office & computers	5,649	951	(106)	-	-	6,494
Infrastructure	11,847	748	-	-	-	12,595
Carparking	65,000	3,018	-	-	(5,970)	62,048
Motor vehicles	7,594	1,383	-	(1,688)	-	7,289
Work in progress	31,036	7,589	-	(4,505)	-	34,120
Total gross carrying	688,810	27,324	(1,478)	(6,200)	(5,970)	702,486
amount	000,010	27,324	(1,470)	(0,200)	(3,370)	, 02,400

Accumulated depreciation and impairment

	Accumulated depreciation 1 July 2008	Current year depreciation	Depreciation on transfers	Depreciation on disposals	Revaluation adjustment	Accumulated depreciation 30 June 2009
	\$000	\$000	\$000	\$000	\$000	\$000
Buildings	827	939	-	-	-	1,766
Terminal facilities	8,333	8,291	-	-	-	16,624
Sealed surfaces	4,678	4,944	-	-	-	9,622
Plant & equipment	6,898	357	-	(3)	-	7,252
Office & computers	3,860	758	(22)	-	-	4,596
Infrastructure	563	632	-	-	-	1,195
Carparking	1,473	1,485	-	-	(2,958)	-
Motor vehicles	4,618	417	-	(1,655)	-	3,380
Work in progress	-	-	-	-	-	-
Total accumulated depreciation	31,250	17,823	(22)	(1,658)	(2,958)	44,435
Total book value	657,560					658,051

On 30 June 2007 land, terminal facilities, buildings, sealed surfaces, infrastructure and car parking assets were revalued by independent valuers Seagar & Partners (land, buildings and car park) and Opus International Limited (terminal facilities, sealed surfaces and infrastructure assets). These assets were reviewed for impairment at 30 June 2009, with no adjustment for impairment being deemed necessary by the independent valuers. The valuations are considered materially equivalent to the values included in the financial statements.

Management reviewed the carrying value of ITP work in progress and after consultation with its Project Managers and Quantity Surveyor have made a \$4,505,000 impairment (see note 4).

In accordance with the company's accounting policies, capital work in progress includes capitalised interest of \$3,445,645 (2008 \$2,286,274).

Property, plant and equipment as at 30 June 2008

Gross carrying amount

	Cost/valuation 1 July 2007	Current year additions at cost	Transfers at cost	Disposals at cost	Revaluation adjustment	Cost/valuation 30 June 2008
	\$000	\$000	\$000	\$000	\$000	\$000
Land	285,012	5,641	-	-	-	290,653
Buildings	24,493	3,433	10	(30)	-	27,907
Terminal facilities	146,315	2,097	-	-	-	148,412
Sealed surfaces	83,656	4,631	3,013	-	-	91,300
Plant & equipment	7,895	1,027	500	(10)	-	9,412
Office & computers	6,547	855	(1,753)	-	-	5,649
Infrastructure	14,288	572	(3,013)	-	-	11,847
Carparking	65,000	-	-	-	-	65,000
Motor vehicles	6,388	1,259	-	(53)	-	7,594
Work in progress	21,190	9,846	-	-	-	31,036
Total gross carrying amount	660,784	29,362	(1,243)	(93)	-	688,810

Accumulated depreciation and impairment

	Accumulated depreciation 1 July 2007	Current year depreciation	Depreciation on transfers	Depreciation on disposals	Revaluation adjustment	Accumulated depreciation 30 June 2008
	\$000	\$000	\$000	\$000	\$000	\$000
Buildings	-	827	-	-	-	827
Terminal facilities	-	8,333	-	-	-	8,333
Sealed surfaces	-	4,678	-	-	-	4,678
Plant & equipment	6,059	330	511	(2)	-	6,898
Office & computers	5,016	807	(1,963)	-	-	3,860
Infrastructure	-	563	-	-	-	563
Carparking	-	1,473	-	-	-	1,473
Motor vehicles	4,367	282	-	(31)	-	4,618
Work in progress	-	-	-	-	-	-
Total accumulated						
depreciation	15,442	17,293	(1,452)	(33)	-	31,250
Total book value	645,342					657,560

Property, plant and equipment based on cost

The carrying amount at which each revalued class of property, plant & equipment would have been carried had the assets been measured under the cost model is as per the table below:

	2009	2008
	\$000	\$000
Land	122,232	108,972
Buildings	21,451	20,575
Terminal	49,851	55,017
Sealed surfaces	62,934	61,703
Plant & equipment	1,924	1,025
Office & computers	1,730	981
Infrastructure	10,374	5,910
Carparking	25,519	22,323
Motor vehicle	4,097	2,755
	300,112	279,261

for the year ended 30 June 2009

	2009	2008
	\$000	\$000
46 1		
16. Intangible assets		
Acquired computer software		
Opening cost	5,402	4,269
Accumulated amortisation	4,161	(3,657)
Opening book value	1,241	612
Current year additions at sect	651	1 122
Current year additions at cost	031	1,133
Amortisation	614	504
Closing cost	6,053	5,402
Accumulated amortisation	4,775	4,161
Closing book value	1,278	1,241
47. Incomplete and a construction		
17. Investment properties		
At fair value		
Balance at the beginning of the year	75,359	71,474
Additional capitalised expenditure	5,988	- 2.005
Fair value gain from fair value adjustment	(3,956)	3,885
Balance at the end of the year	77,391	75,359
P. atalian and	6.027	6.000
Rental income	6,837 823	6,092 490
Direct operating expenses from property that generated rental income	823	490

The valuation as at 30 June 2009 was completed by Seagar and Partners, registered valuers and member of the New Zealand Property Institute. The basis of valuation is fair value being the estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently, and without compulsion.

18. Cash and cash equivalents

Bank	847	424
19. ITP foreign currency		
Foreign currency account	-	11,787
The foreign currency account was closed during the year.		
20. Trade and other receivables		
Accounts receivable	4,073	3,658
Prepayments	901	487
Provision for doubtful debts	-	(23)
Total receivables and prepayments	4,974	4,122

	2009	2008
	\$000	\$000
21. Inventories		
Materials	295	406
Retail stock	11	73
Livestock	174	101
Total inventory	480	580
22. Reconciliation of net operating surplus after		
tax with net cashflow from operation activities		
Net operating surplus after tax	14,686	23,359
Non cash items		
Depreciation and amortisation	22,950	17,836
Gain on revaluation of investment properties	3,956	(3,885)
Financial derivatives adjustment	-	128
Items not classified as operating activities		
Gain on asset disposals	(597)	1
Deferred Taxation	(3,343)	2,036
Movements in working capital		
(Increase)/Decrease in trade and other receivables	(852)	25
(Increase)/Decrease in inventories	100	3
Increase/(Decrease) in trade and other payables	879	332
Increase/(Decrease) in taxation payable	4,524	(2,701)
Not eachflows from analyting activities	42,303	37,134
Net cashflows from operating activities	42,303	37,134

23. Related party transactions

Christchurch City Holdings Limited, a wholly owned subsidiary of the Christchurch City Council (CCC), owns 75% and the New Zealand Government owns 25% respectively of the issued share capital of the company.

Christchurch International Airport Limited enters into a large number of transactions with government departments, Crown entities, State-owned enterprises and other entities controlled or subject to significant influence by the Crown. These transactions are not separately disclosed where they:

- are conducted on an arm's length basis;
- result from the normal dealings of the parties; and
- meet the definition of related party transactions only because of the relationship between the parties being subject to common control or significant influence by the Crown.

	2009	2008
	\$000	\$000
Transactions with owners during the year		
Purchases from CCC and subsidiaries	1,290	278
Rates paid to CCC	1,827	1,867
Revenues from CCC and subsidiaries	152	66
Subvention payments to CCC and subsidiaries	3,353	3,261
Outstanding balances with owners as at 30 June		
Accounts payable to CCC and subsidiaries	108	44
Amounts owing from CCC and subsidiaries	51	62

for the year ended 30 June 2009

Non shareholder related party transactions

Some directors of the company are, or have been during the year, directors of other companies or organisations with whom Christchurch International Airport Limited may transact. Such transactions are all carried out on an arm's-length basis and are conducted on normal commercial terms. No amounts were written off or forgiven during the reporting period and outstanding balances were settled under normal trading terms.

Entity	Transaction	2009	2008	Relationship
		\$000	\$000	
Fulton Hogan Corporation Limited	Pavement Maintenance	3,263	4,956	Hanlin Johnstone, Company Director is a director of Fulton Hogan Limited
Parceline Limited	Other Maintenance Rental	591 217	284 128	Sue Sheldon, Company Director is a director of Freightways Limited, parent company of Parceline Limited
National Provident Fund	Superannuation	47	56	Sue Sheldon, Company Director is the chairman of the Board of Trustees of the National Provident Fund
Electronic Transaction Services Limited	Transaction fees	3	2	Sue Sheldon, Company Director is a director of Electronic Transaction Services Limited
Jet Engine Facility Limited	Rental	30	36	Hanlin Johnstone, Company Director is a
	Subvention payment	-	142	director of Jet Engine Facility Limited
	Rates	52	2	
V Base Limited	Subvention payment Catering	1,029 4	543 -	Hanlin Johnstone, Company Director is a director of V Base Limited
Armada Marketing Limited	Contract Fees	176	-	Jim Boult, Chief Executive, is a director of Armada Marketing Limited

Balance owing at 30 June

Entity	2009	2008
	\$000	\$000
Fulton Hogan Corporation Limited	6	22

There were no other material related party transactions for the year.

24. Key management personnel compensation

The key management personnel include the Chief Executive and his direct reports

	2009	2008
	\$000	\$000
The key management compensation is:		
Salaries and other short term employee benefits	1,869	1,512
	1,869	1,512

25. Segment information

The company operates predominantly in the business of providing airport facilities and services to airline and airport users. All operations are based at Christchurch International Airport.

26. Commitments

	2009	2008
	\$000	\$000
Capital expenditure commitments		
Total capital expenditures committed to but not recognised in the financial statements	115,611	10,309
Operating lease commitments		
Total minimum lease payments under non cancellable operating leases but not recognised in the financial statements. These commitments are for operating leases for		

Between 1-2 years 47 Between 3-5 years 13

27. Lease income

Less than 1 year

office equipment and baggage trolleys.

The company has a number of property leases for which it receives rental. The total amount receivable for these operating leases is:

	2009	2008
	\$000	\$000
Less than 1 year	20,950	23,950
Between 1-2 years	15,858	21,663
Between 2-5 years	34,290	38,872
Beyond 5 years	40,180	43,688
	111,278	128,173

28. Contingent assets and liabilities

As at 30 June 2009 there were no contingent liabilities (2008 \$NIL)

The company is a participating employer in the National Provident Fund's Defined Benefit Plan Contributors Scheme (the scheme) which is a multi-employer defined benefit scheme. If the other participating employers ceased to participate in the scheme the company could be responsible for the entire deficit of the scheme (see note 29). Similarly, if a number of employers ceased to participate in the scheme, the company could be responsible for an increased share of the deficit. The company has only one employee in this scheme.

29. Defined benefit superannuation scheme

As outlined in note 28 the company contributes to a multi-employer defined benefit superannuation scheme (the scheme) operated by the National Provident Fund. The Fund has advised that insufficient information is available to use defined benefit accounting as it is not possible to determine, from the terms of the scheme, the extent to which the deficit will affect future contributions by employers, as there is no prescribed basis for allocation.

As at 31 March 2008, the scheme had a past service surplus of \$28.3 million (9.9% of the liabilities). This amount is exclusive of specified superannuation contribution withholding tax. This surplus was calculated using a discount rate equal to the expected return on the assets, but otherwise the assumptions and methodology were consistent with the requirements of NZ IAS 19. The actuary to the scheme has recommended the employer contribution continues at 1.0 times contributor's contributions. The 1 times is inclusive of specified superannuation contribution withholding tax. The equivalent information as at 31 March 2009 is not available at the date of preparation of these financial statements.

Refer also to accounting policy u – employee benefits (Page 73).

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30. Events occurring after balance date

There are no events occurring after balance date that could significantly affect the financial statements (2008 \$NIL).

31. Financial instruments

The company's activities expose it to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the company's financial performance. The company enters into derivative arrangements in the ordinary course of business to manage foreign currency and interest rate risks.

Risk management is the responsibility of the Risk, Audit and Finance Committee (the Committee). The company has a treasury policy approved by the Committee. The policy provides guidelines for overall risk management, as well as specific guidelines for derivative instrument utilisation including procedures for control, valuation, risk analysis, ongoing monitoring and reporting.

Part of the company's risk management strategy is to outsource the back office processing of the treasury function to a third party.

Market risk

Foreign exchange risk

The company has no exposure to foreign exchange risk arising from overseas transactions at balance date. The treasury policy includes guidelines on the actions required for foreign exchange purchases and exposures including requirements on the level of derivatives that are required to be put into place. These limits are reviewed as part of the annual review of the Treasury Policy by the Risk, Audit and Finance Committee.

At 30 June 2009, had the New Zealand Dollar (NZD) weakened/strengthened by 10% against each of the currencies the company is exposed to, with all other variables held constant, the impact to pre tax profit and/or equity would have been \$NIL lower/\$NIL higher.

A sensitivity of 10% has been selected as this is considered reasonable given the current level of exchange rates and the volatility observed both on an historical basis and market expectations for future exchange rate changes.

Interest rate risk

The company's main interest rate risk arises from term variable rate borrowings denominated in NZD, such borrowings being determined by the company's long term development requirements and the structures approved by the Board.

The treasury policy sets parameters for borrowings and the process for monthly reporting to the Board.

Borrowings issued at variable rates expose the company to cash flow interest rate risk. The company manages its cash flow interest rate risk by using floating to fixed interest rate swaps. Such interest rate swaps have the economic effect of converting borrowings from floating rates to fixed rates.

At 30 June 2009, if the interest rates had changed by +/- 1%, with all other variables held constant, the impact to pre tax profit and/or equity would have been \$6.9 million lower/\$6.5 million higher. The valuation of interest rate swaps has been included in this calculation.

A sensitivity of 1% has been selected as this is considered reasonable given the current level of interest rates and the trend observed both on a historical basis and market expectations for future moves.

Maturity profile of financial instruments

The following table details the company's exposure to interest rate and Foreign Currency risks

	Note	Weighted average effective interest rate	Variable interest rate	Variable interest rate	Non-interest bearing	Total
			\$000	\$000	\$000	\$000
As at 30 June 2009						
FINANCIAL ASSETS						
Cash and cash equivalents	18	2.5	847	-	-	847
Trade and other receivables	20	-	-	-	4,974	4,974
			847	-	4,974	5,821
					•	
FINANCIAL LIABILITIES						
Trade and other payables	14	-	-	-	10,162	10,162
Derivative financial instruments	13	6.4	7,089	-	-	7,089
Borrowings	12	7.6	105,000	-	- 2.405	105,000
Employee benefits	14	-	-	-	2,195	2,195
			112,089	-	12,357	124,446
As at 30 June 2008						
FINANCIAL ASSETS						
Cash and cash equivalents	18	8.2	424	-	-	424
Cash and cash equivalents ITP foreign currency	19	3.4	424 11,787	-	-	11,787
Cash and cash equivalents ITP foreign currency Trade and other receivables	19 20	3.4	11,787 -	- - -	- - 4,122	11,787 4,122
Cash and cash equivalents ITP foreign currency	19	3.4		- - -	- - 4,122 -	11,787
Cash and cash equivalents ITP foreign currency Trade and other receivables	19 20	3.4	11,787 -	- - - -	•	11,787 4,122
Cash and cash equivalents ITP foreign currency Trade and other receivables Derivative financial instruments	19 20	3.4	11,787 - 3,672	- - - -	-	11,787 4,122 3,672
Cash and cash equivalents ITP foreign currency Trade and other receivables Derivative financial instruments FINANCIAL LIABILITIES	19 20 13	3.4	11,787 - 3,672	- - -	4,122	11,787 4,122 3,672 20,005
Cash and cash equivalents ITP foreign currency Trade and other receivables Derivative financial instruments FINANCIAL LIABILITIES Trade and other payables	19 20 13	6.5	11,787 - 3,672 15,883		-	11,787 4,122 3,672 20,005
Cash and cash equivalents ITP foreign currency Trade and other receivables Derivative financial instruments FINANCIAL LIABILITIES Trade and other payables Derivative financial instruments	19 20 13 14 13	3.4 - 6.5	11,787 - 3,672 15,883 - 228	- - - -	4,122	11,787 4,122 3,672 20,005 8,974 228
Cash and cash equivalents ITP foreign currency Trade and other receivables Derivative financial instruments FINANCIAL LIABILITIES Trade and other payables Derivative financial instruments Borrowings	19 20 13 14 13 12	3.4 - 6.5 - 6.5 8.9	11,787 - 3,672 15,883	-	4,122 8,974	11,787 4,122 3,672 20,005 8,974 228 118,000
Cash and cash equivalents ITP foreign currency Trade and other receivables Derivative financial instruments FINANCIAL LIABILITIES Trade and other payables Derivative financial instruments	19 20 13 14 13	3.4 - 6.5	11,787 - 3,672 15,883 - 228	- - - - - - -	4,122	11,787 4,122 3,672 20,005 8,974 228
Cash and cash equivalents ITP foreign currency Trade and other receivables Derivative financial instruments FINANCIAL LIABILITIES Trade and other payables Derivative financial instruments Borrowings	19 20 13 14 13 12	3.4 - 6.5 - 6.5 8.9	11,787 - 3,672 15,883 - 228	- - - - - - -	4,122 8,974	11,787 4,122 3,672 20,005 8,974 228 118,000

Credit risk

Credit risk principally arises from cash and short-term investments, trade receivables and interest rate swaps. The company places its cash and short-term investments with high credit quality financial institutions and sovereign bodies and limits the amount of credit exposure to any one financial institution in accordance with its treasury policy.

The company manages its exposure to credit risk arising from trade receivables by performing credit evaluations on customers requiring credit, and continuously monitoring the outstanding credit exposure to individual customers. Credit risk is concentrated on a small number of customers. At 30 June 2009: 62% (2008: 71.6%) of trade receivables were due from 10 customers.

Management practice is to review debtors on a regular basis and write off any amount that is not deemed to be recoverable as required. For the year ending 30 June 2009 a total of \$4,517 (2008:\$9,400) was written off, this represents 0.1% (2008: 0.1%) of total trade receivables. A further \$NIL was provided for doubtful debts (2008 \$23,500).

for the year ended 30 June 2009

The status of trade receivables at the reporting date is as follows.

	2009	2008
	\$000	\$000
Neither past due or impaired	3,030	3,519
Past due but not impaired 0 – 30 days	220	25
Past due but not impaired 31 – 60 days	664	80
Past due but not impaired > 60 days	159	11
Impaired assets – written down to recoverable value	-	23
	4,073	3,658

There are no restructured assets at 30 June 2009 (2008: NIL). No collateral has been taken as security for trade receivables.

The carrying value is the maximum exposure to credit risk for bank balances, accounts receivable and interest rate swaps.

Liquidity risk

Liquidity risk represents the risk that the company may not have the financial ability to meet its contractual obligations. The company evaluates its liquidity requirements on an ongoing basis and reviews the Treasury Policy Headroom levels on an annual basis. In general, the company generates sufficient cash flows from its operating activities to meet its obligations arising from its financial liabilities and has funding in place to cover potential shortfalls.

The table below analyses the company's financial liabilities and derivative financial liabilities that will be settled on a net basis, into relevant maturity groupings based on the remaining period at year end to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances within 12 months equal their carrying balances.

30 June 2009	On demand	< 1 year	1-2 year	2-5 years	> 5 years
Trade and other payables	11,604	-	-	-	-
Borrowings	-	96,352	979	22,141	-
Derivative fi0nancial instruments	-	4,782	2,454	319	(497)
					(107)
	11,604	101,134	3,433	22,460	(497)

30 June 2008	On demand	< 1 year	1-2 year	2-5 years	> 5 years
Trade and other payables	10,878	-	-	-	-
Borrowings	-	71,671	4,991	65,578	-
Derivative financial instruments	-	(2,067)	(1,804)	(3,821)	(2,689)
	10,878	69,604	3,187	61,757	(2,689)

Derivative financial instrument

Interest rate swap

The company has long term borrowings at a variable rate of interest. In order to protect against interest rate movements, the company has entered into interest rate swap agreements to fix the interest rate. Under these agreements, the company agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. The fair value of interest rate swaps are based on market values of equivalent instruments at the reporting date and are disclosed below.

The following table also details the notional principal amounts and remaining term of interest rate swap contracts outstanding as at reporting date:

	Contract fi interest ra		Notion	al principal amount		Fair value
	2009	2008	2009	2008	2009	2008
	\$000	\$000	\$000	\$000	\$000	\$000
Outstanding floating for fixed contracts Less than 1 year 1 to 2 years 2 to 5 years Beyond 5 years	7.2 6.5 6.0 6.4	6.39 7.19 6.35 6.35	25,000 5,000 38,000 84,000	17,000 25,000 18,000 50,000	1,274 249 1,637 3,929	- (447) (3,226) -
			152,000	110,000	7,089	(3,672)

Movement in cash flow hedge reserve - interest rate swaps

	2009	2008
	\$000	\$000
Movement in fair value of existing contracts	10,408	(2,402)
Total movement	10,408	(2,402)

Forward exchange contracts - cash flow hedges

The company buys some of items of property plant and equipment from overseas suppliers which are required to be settled in foreign currency, primarily USD and Euro. In order to protect against exchange rate movements, the company has entered into forward exchange contracts to buy both of these currencies.

These contracts are hedged as individual purchase contracts for the ensuing financial year. The contracts are timed to mature when the payments are scheduled to be made. On 30 June 2008 the company had a US\$9.0 million bank deposit for the purpose of purchasing property, plant and equipment required for the Integrated Terminal Project. This deposit was in a hedge relationship.

The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised directly in equity. When the cash flows occur, the company adjusts the initial measurement of the component recognised in the Statement of Financial Position by the related amount deferred in equity.

At 30 June 2009, there was US\$NIL (2008: NIL) and Euro NIL (2008: NIL) included within trade and other payables. The company has designated all foreign exchange contracts in place as hedges and this is consistent with the prior year.

During the year there was a pre-tax movement in equity of \$3,552,000. The table below shows the pre-tax movement for the company:

Movement in cash flow hedge reserve – foreign currency

	2009	2008
	\$000	\$000
Movement in fair value of existing contracts	3,552	(257)
Total movement	3,552	(257)

Fair value of financial instruments

The directors consider that the carrying amounts of financial assets and financial liabilities recorded in the financial statements approximate their fair values.

The fair value of financial instruments traded in active markets is based on quoted market prices at year end of derivatives.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The company has an outsourced treasury provider that provides the fair value at year end. These valuation techniques include the following:

- Interest rate swaps calculation takes into account the present value of the estimated future cash flows.
- Forward exchange contracts calculation takes into consideration the forward exchange market rates at the year end.

There were no financial instruments in 2009 that were not traded in an active market.

for the year ended 30 June 2009

	Note	Designated at fair value	Loans & receivables	Available for sale	Other amortised cost	Total carrying amount
		\$000	\$000	\$000	\$000	\$000
Classification of financial ins As at 30 June 2009	truments					
CURRENT ASSETS Cash and cash equivalents	18		847			847
Trade and other receivables	20	-	4,073	-	-	4,073
Derivative financial instruments	13	-	-	-	-	-
		-	4,920	-	-	4,920
NON-CURRENT ASSETS Derivative financial instruments	13	-	-	-	-	-
		-	-	-	_	
Total financial assets		-	4,920	-	-	4.920
CURRENT LIABILITIES	1.4				12 257	12 257
Trade and other payables Borrowings	14 12	-	- -	-	12,357	12,357 -
Derivative financial instruments	13	1,274	-	-	-	1,274
		1,274	-	-	12,357	13,631
NON-CURRENT LIABILITIES						
Borrowings	12	-	-	-	105,000	105,000
Derivative financial instruments	13	5,815	-	-	-	5,815
Total financial liabilities		5,815	-	-	105,000	110,815
As at 30 June 2008						
CURRENT ASSETS						
Cash and cash equivalents	18	-	424	-	-	424
ITP foreign currency	19	-	11,787	-	-	11,787
Trade and other receivables	20	- 153	3,635	-	-	3,635
Derivative financial instruments	13	153	-	-	-	153
		153	15,846	-	-	15,999
NON-CURRENT ASSETS Derivative financial instruments	12	2.510				2.510
Derivative financial instruments	13	3,519	-	-	-	3,519
		3,519	-	-	-	3,519
Total financial assets		3,672	15,846	-	-	19,518
CURRENT LIABILITIES						
Trade and other payables	14	-	-	-	10,878	10,878
Borrowings Derivative financial instruments	12 13	228	-	-	63,000	63,000 228
Derivative illiancial instruments	15		-	-	-	
		228	-	-	73,878	74,106
NON-CURRENT LIABILITIES	12				55,000	55,000
Borrowings	12	-	-	-	55,000	55,000
Total financial link lities		220				
Total financial liabilities		228	-	-	128,878	129,106

32. Capital management

The company's capital includes share capital, reserves and retained earnings. The company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The company recognises the need to maintain a balance between the higher returns that might be possible with greater gearing and the advantages and security afforded by a sound capital position.

The company is not subject to any externally imposed capital requirements, other than the covenants required under our borrowing agreements.

There have been no material changes to the company's management of capital during the period.

33. Comparison of forecast to actual results

The company prepares an annual Statement of Intent which is approved by shareholders and incorporates financial and performance measures for the ensuing year.

A comparison of the company's actual results for the year ended 30 June 2009 with those targets are as follows:

	2009 Achievement	2008 Target
	\$000	\$000
Financial performance	06.774	02.720
Revenue	86,774	93,738
EBITDA from operations	55,953	56,291
Surplus after tax	14,686	22,038
Dividend payment	12,929	11,009
Ratio of after-tax surplus to average equity	2.61%	3.89%
Operational performance		
Aircraft		
Aircraft departures excluding General Aviation	37,641	38,971
Passengers		
Domestic	4,333,294	4,321,678
International	1,574,783	1,670,066
Total passengers	5,908,077	5,991,744
Performance indicators	\$	\$
Operating revenue per employee	548,016	616,697
Operating revenue per passenger	15.22	15.64
Surplus after-tax per employee	89,549	144,987
Surplus after-tax per passenger	2.49	3.68
Total assets per passenger	125.72	134.20
Net debt per passenger	17.78	33.38
Ratio of aeronautical revenue to operating	43.8%	50.4%

Note.

- i. **Total revenue.** The target for total revenue included a revaluation increase of \$3,681,000 for investment properties. The actual result was a devaluation of \$3,956,000.
- ii. **Surplus after tax.** Actual surplus after tax was negatively impacted by an impairment of work in progress costs, the additional design costs for the Integrated Terminal and the devaluation of investment properties.
- iii. Aircraft and passenger numbers. Movements were impacted by the economic recession effects on international tourism.
- iv. Performance indicators. The actual performance indicators reflect the above variances.



To the readers of

Christchurch International Airport Limited's financial statements and and performance information for the year ended 30 June 2009

The Auditor General is the auditor of Christchurch International Airport Limited (the company). The Auditor General has appointed me, Scott Tobin, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and performance information of the company for the year ended 30 June 2009.

Unqualified Opinion

In our opinion:

- The financial statements of the company on pages 62 to 91:
 - o comply with generally accepted accounting practice in New Zealand; and
 - o give a true and fair view of:
 - the company's financial position as at 30 June 2009; and
 - the results of its operations and cash flows for the year ended on that date.
- The performance information of the company on pages 47 and 91 gives a true and fair view of the achievements measured
 against the performance targets adopted for the year ended 30 June 2009.
- Based on our examination the company kept proper accounting records.

The audit was completed on 20 August 2009, and is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Board of Directors and the Auditor, and explain our independence.

Basis of Opinion

We carried out the audit in accordance with the Auditor General's Auditing Standards, which incorporate the New Zealand Auditing Standards.

We planned and performed the audit to obtain all the information and explanations we considered necessary in order to obtain reasonable assurance that the financial statements and performance information did not have material misstatements, whether caused by fraud or error.

Material misstatements are differences or omissions of amounts and disclosures that would affect a reader's overall understanding of the financial statements and performance information. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

The audit involved performing procedures to test the information presented in the financial statements and performance information. We assessed the results of those procedures in forming our opinion.

Audit procedures generally include:

- determining whether significant financial and management controls are working and can be relied on to produce complete
 and accurate data;
- · verifying samples of transactions and account balances;
- performing analyses to identify anomalies in the reported data;
- · reviewing significant estimates and judgements made by the Board of Directors;
- confirming year-end balances;
- determining whether accounting policies are appropriate and consistently applied; and
- determining whether all required disclosures are adequate.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements and performance information.

We evaluated the overall adequacy of the presentation of information in the financial statements and performance information. We obtained all the information and explanations we required to support our opinion above.

Responsibilities of the Board of Directors and the Auditor

The Board of Directors is responsible for preparing the financial statements in accordance with generally accepted accounting practice in New Zealand. The financial statements must give a true and fair view of the financial position of the company as at 30 June 2009 and the results of its operations and cash flows for the year ended on that date. The Board of Directors is also responsible for preparing performance information that gives a true and fair view of service performance achievements for the year ended 30 June 2009. The Board of Directors' responsibilities arise from the Financial Reporting Act 1993 and the Local Government Act 2002.

We are responsible for expressing an independent opinion on the financial statements and performance information and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001 and section 69 of the Local Government Act 2002.

Independence

When carrying out the audit we followed the independence requirements of the Auditor General, which incorporate the independence requirements of the Institute of Chartered Accountants of New Zealand.

In addition to the audit of the financial statements and the statement of service performance, we issued an audit opinion pursuant to the Airport Authorities (Airport Companies Information Disclosure) Regulations 1999. This engagement is compatible with those independence requirements.

Other than the audit, we have no relationship with or interests in the company.

S M Tobin Audit New Zealand

On behalf of the Auditor-General Christchurch, New Zealand

Matters Relating to the Electronic Presentation of the Audited Financial Statements and Performance Information

This audit report relates to the financial statements and performance information of Christchurch International Airport Limited (the company) for the year ended 30 June 2009 included on the company's website. The company's Board of Directors is responsible for the maintenance and integrity of the company's website. We have not been engaged to report on the integrity of the company's website. We accept no responsibility for any changes that may have occurred to the financial statements and performance information since they were initially presented on the website.

The audit report refers only to the financial statements and performance information named above. It does not provide an opinion on any other information which may have been hyperlinked to or from the financial statements and performance information. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited financial statements and performance information and the related audit report dated 20 August 2009 to confirm the information included in the audited financial statements and performance information presented on this website.

Legislation in New Zealand governing the preparation and dissemination of financial information may differ from legislation in other jurisdictions.

	2009*	2008*	2007*	2006*	2005**
	\$000	\$000	\$000	\$000	\$000
FINANCIAL					
Revenue	86,774	89,433	83.702	83,786	71,779
Expense	64,685	56,532	52,741	50,822	47,594
Operating surplus before income tax	22,089	32,901	30,961	32,964	24,185
Operating surplus after income tax	14,686	23,359	24,003	23,496	16,551
Dividends paid	12,929	11,005	10,052	9,858	9,376
Return on average shareholders' equity	2.6%	4.2%	6.1%	10.2%	7.5%
Total equity	560,117	563,272	552,796	238,460	222,649
Total assets	743,021	756,937	729,293	362,537	318,914
Net assets per share	\$9.72	\$9.78	\$9.60	\$4.14	\$3.86
Shareholders' equity ratio	75.4%	74.5%	75.8%	65.8%	69.8%

^{*} Prepared under NZ IFRS

^{**} Prepared under NZ FRS

	2009*	2008*	2007*	2006*	2005**
	\$000	\$000	\$000	\$000	\$000
OPERATIONAL					
Passengers					
Domestic passengers	4,333,294	4,279,503	3,926,591	3,973,139	4,066,665
International passengers	1,574,783	1,625,708	1,557,979	1,499,023	1,489,660
Total passengers	5,908,077	5,905,211	5,484,570	5,472,162	5,556,325
Total aircraft movements (arrivals and departures)					
Domestic aircraft	70,849	72,701	70,700	74,672	76,838
International aircraft	11,224	11,391	11,434	11,524	11,990
Total aircraft movements	82,073	84,092	82,134	86,196	88,828
PERSONNEL					
Average staff strength (full-time equivalents)	164	176	176	172	159

directory

Directors

David Mackenzie Chairman

Sue Sheldon Deputy Chairman

Jim Boult Director

Ann Harper Director

Philip Carter Director

Hanlin Johnstone Director

Shareholders

Christchurch City Holdings Limited 43,200,000 shares (75%)

Minister of Finance 7,200,000 shares (12.5%)

Minister for State Owned Enterprises 7,200,000 shares (12.5%)

Total Shares

57,600,000 shares

Bankers

ANZ National Bank Ltd Bank of New Zealand Westpac Banking Corporation Commonwealth Bank of Australia

Solicitors

Buddle Findlay, Christchurch Chapman Tripp, Christchurch

Executive Management Team

Jim Boult
Chief Executive

Neil Cochrane General Manager Business Services

Gareth Owen
General Manager Marketing & Business Development

Geoff Eban General Manager Operations & Infrastructure

Leeanne Carson-Hughes General Manager Human Resources

Blair Forgie General Manager Property

Rhys Boswell General Manager Planning & Environment

Registered Office

Second Floor, International Terminal Building Christchurch International Airport Memorial Avenue, PO Box 14-001 Christchurch, New Zealand

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Facsimile: +64 3 353 7730
Website: christchurchairport.co.nz

Auditors

Audit New Zealand
On behalf of the Auditor-General

PO Box 14-001, Christchurch 8544, New Zealand Telephone: +64 3 358 5029 Facsimile: +64 3 353 7730 Website: christchurchairport.co.nz

